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Good Will Turns the Tide

By A. I. FINDLEY

Director, United Business Publishers, Inc.

DURING the past fortnight the world has been exposing itself to the contagion of good will. That right-about-face in thought and feeling is today the most dynamic and significant factor in the business outlook both at home and abroad.

President Hoover's debt proposal has produced effects that are without a parallel since international relations began. For months men in every land have been looking for the first sign of a turn toward better things. In our own country it has been loudly complained that we had neither leadership nor plan. In a single week-end hour at Washington both leader and plan suddenly appeared, and in the same hour the leader applied the power that was to make the plan effective. What was the power? Nothing less than the age-old impulse of Good Will.

More than any other factor, ill will—between nations, between political partisans, between business competitors—has been outstanding in this depression. None that preceded it has been marked by such intense expressions of bitterness. Statesmen in one nation charging responsibility upon those in another; political spokesmen arraigning opposition party leaders; publicists and economists assailing legislative and administrative policies and excoriating those in authority for failure to find the way out; business men using unethical methods to wrest orders from competitors—such has been the sorry record of the past two years.

Meanwhile, men have been talking about a future war as one that might end civilization, little realizing that so much ill will was abroad—between nations, and between parties and interests in the same nation—as actually to create a world-wide state of war.

And now the world has been brought under the spell of a new spirit. Never has there been such world-wide accord on any matter affected with an international interest. The good will that went out from Washington has been answered by good will from every corner of the globe. A great incubus

has been lifted from international relations, from business between nations, from domestic business in every land.

No, the animosities have not been healed and the economic millennium has not dawned. All the distress of an unparalleled depression is still upon us. But we have had a fortnight crowded as no other had ever been with world-wide approval of a great message of good will, and the right solution of our vexing problems has thus been advanced immeasurably. Outweighing all other gains from the President's proposal are those that will flow from its sheer friendliness.

In all the experiences of American business men through these trying months, beginning with the crash of 1929, too much of our thinking and planning has been in material and mechanical terms—in the language of charts and cycles and of this and that barometer of trade—so much so that the well-being of our people has been treated as a product of mechanization along with the rest. Too little have we thought of its moral side, even in the face of well-defined factors of deterioration in civic life, in business and in community and home standards.

How fast we come up out of the slough will depend more on the rate of repair of the moral factors than of those which lie in the domain of politics and economics.

Thus, in setting in motion a wave of good will that has generated courage, confidence and hope, President Hoover has been of incalculable help in putting his own country and all the world on the road back to happier times. Whatever the minor fluctuations in the few months just ahead, his act splendidly marks the turning of the tide. Let his countrymen give themselves with a new resolve to the high enterprise of increasing the store of good will—internationally, politically at home, in business with the world, and in business with one another.

LET'S GO BACK TO

A FEW years ago work was being carried on in Washington for the purpose of banishing the fluctuations of the business cycle and "regularizing" industry. At that time—it seems long ago now—you will recollect that an impressive group of economists, statisticians, labor leaders and business men of sufficient leisure to afford the time was exploring the antics of supply and demand in the hope of finding the way to secure a balance.

From what has happened since then, it is quite evident that the question of economic stabilization is too big to be settled in committee conference, unless it be a "committee of the whole" of industry and business. Of course there is this difference between today and the time previously referred to; today everyone is thinking about the future, while then most of the captains of industry were too busy making products and selling them profitably to worry about it.

Today there is probably a great deal more thought being given to "what's ahead" than there is to "what's at hand." At no time in our history have so many high-powered mental telescopes been trained upon the economic horizon. Bankers, industrialists, labor leaders, statesmen, economists, business men and thoughtful members of the rank and file of the employed and unemployed are seriously pondering upon the whys and wherefores of economic cause and effect. The mechanism of business and industry, national and international, is receiving its most critical scrutiny from a great diversity of viewpoints. It is being studied from all sides, as well as from the top and bottom. Something is bound to eventuate from this unexampled concentration of able minds.

As a result of this movement, American finance, industry and business are unconsciously forming themselves into a committee of the whole. As yet the minds of its members "have not met," nor have definite paths of progress been defined and accepted. It is too soon to expect it. We find marked differences of opinion, for example as to whether thrift or prodigality are the more efficacious prosperity builders; whether increasing prices is a better course than lowering costs; whether wages should be maintained or lowered; whether increased mechanization aids or harms employment. Unanimity as to these things will come in natural course as more light is thrown upon them by constant examination and discussion. Already we find an overwhelming preponderance of belief that industry and business must shoulder the responsibility for adequate employment. How long a step forward this is will be recog-

nized by those familiar with the thinking of a decade or two ago.

A Flood of Forecasts

The multiplying of forecasts and prognostications which have accompanied this intensive and widespread probing of the future is a natural by-product. Everyone seems anxious to give his opinion of what is forthcoming and each day adds fresh material to the growing pile of contradictory predictions. They vary from the promise of a shortly forthcoming period of unexampled prosperity to the belief that there will be fifteen years of extremely painful plodding before business once more tops its 1929 level. "Pay your money and take



ARITHMETIC

by JOHN H. VAN DEVENTER

Industrial Consultant—United Business Publishers, Inc.

your choice" of predictions, for there are all sorts to choose from. It should be quite evident to us now that the soothsayer who gazes upon charts for the purpose of foretelling the future is as reliable, and no more so, as his prototype who peers into the crystal ball.

A Problem in Division

No forecaster can sketch for us the future skyline of American business. Its building will be the work of too many hands and minds—minds that are even now changing over from fixed beliefs of many years' standing and grasping new concepts and principles of action.

No forecaster can sketch for us the future skyline of American industry and business. Its building will be the work of too many hands and minds—minds that are now discarding fixed beliefs and grasping new concepts.



At the present time we are more or less inclined to grasp at straws in order to keep our heads above water, regardless of the fact that they will not bear our weight. Witness the current discussion of the advisability of raising railroad rates and other prices. Making things more expensive is not an assurance that people will buy them.

After all, the question of supply and demand resolves itself into a problem of simple division. Average annual income, divided by average cost of things bought, equals a number of things that can be bought. One cannot sidestep arithmetic. If then, we make things cost more, without first increasing average income, is it not obvious that less things can be bought?

On the other hand, when we reduce the divisor of average cost, we increase the quotient of number of units purchasable. In other words, diminished cost to the consumer is the logical step toward turning out more goods and employing more people.

Reduction in cost of goods and increase in average consumer income are the two logical ways to increase consumption and hence to stimulate business activity. If there are any others, they do not fall into the category of mathematical reasonability.

During a period of thirty years following our Civil War, the average of commodity prices declined almost uninterruptedly. During this same period of receding prices we increased our annual output of manufactured products four times in dollar volume, eight times in actual volume, and multiplied the annual industrial wages paid by almost four. It was this performance that laid the foundations for a prosperity which could successfully stand the later terrific punishment of over-capitalization, inflation, speculation, graft, Government interference and excessive taxation and which failed to be shaken until the ultimate debacle of 1929.

How was this miracle of progress accomplished? Merely by giving heed to the formula *income divided by cost equals volume*.

Consciously or unconsciously, our ancestors of that period chose the one effective way to apply this formula to build prosperity. They put improved machinery to work in American industry on such a scale as not merely to compensate for the declining prices but to make increasing profits out of them and to pay increased wages in spite of them. For real wages—measured in purchasing power—doubled during this period of shrinking prices. Thus the prosperity formula was worked two ways, by decreasing the divisor of cost and increasing the dividend of average purchasing power. What else

could result except the ensuing multiplication of business volume and the diversification of industry?

Arithmetic Has Not Changed

A great deal of water has gone over the dam since the termination of the long thirty-year period of price declines and prosperity building, but the laws of arithmetic remain unchanged. The formula that our predecessors used so effectively to pull themselves out of a great depression is as good today as it ever was. Why are we not putting it to work?

One reason, perhaps, is that industry, business and life in general have been made to appear so complicated by constant dissection, classification, psychoanalyzing, forecasting and the magnification of minute details that the whole is lost sight of in the elaboration of its parts. We are not thinking simply and clearly nowadays.

Perhaps that is what President Hoover meant when he recently cautioned American business to avoid "panaceas" in the attempt to effect a recovery. Panaceas there are in plenty to choose from, but they won't get us anywhere. We need to stick to arithmetic.

Some one has said that the way to get the best of a depression is to "outwit" it. The thought is that if you do nothing for a time a depression will become discouraged and go away of its own accord. Plenty of people are trying to outwit this depression. But it is getting them nowhere. Sitting seldom does.

We cannot outwit this depression, but we can outwit it. The way to do this is to use the same method that put the panic of 1873 to flight, and built prosperity in the face of a declining price trend. When prices fall, make costs go down even faster. Get the formula busy, through industrial modernization.

After all, machinery is our one great cost reducer. It would be a tremendous job to cut the cost of a hand worker's output 25 per cent, preserving his wage rate and the quality of the goods. But give him the proper machine and he will produce ten parts for the former cost of one, earn a better wage rate and turn out a better product. That's working the prosperity formula two ways at once!

Wage cuts will not increase industrial or business volumes because they reduce the dividend (purchasing power) in the same measure that they reduce the divisor (cost). The quotient (volume) remains the same as before, unless perhaps the worker retaliates for wage cuts through diminished output or strikes, in which case it is less. Nothing gained here.

Prices are too low in many industries. Low prices are only beneficial to the public and non-ruinous to the maker of the goods when they permit a profit margin. This condition of profitless pricing is particularly apparent today in such commodities as steel and copper. In such industries, where efficiency levels are already high, price adjustment upward seems essential. All the more reason then, for cost reduction in other branches of industry not so well mechanized for production.

With such exceptions, however, the increase of prices, whether in freight rates or other forms are not the way out. The formula tells us that. No one who is advocating price increases is suggesting that wages be raised too. Thus, if prices be raised, we find the divisor increased, the dividend unchanged and the quotient (volume) decreased.

Improvement in industrial mechanization through the replacement of inferior with superior equipment is one way to reduce the divisor of cost, increase or maintain the dividend of purchasing power and hence increase the quotient of volume. It's not a panacea, but a time-tested method of restoring and building prosperity.

Is today's production equipment sufficiently superior in cost performance to warrant the cost of modernization? Decidedly yes, in the average plant and the average industry. There are exceptions, of course, but, by and large, American industry could cut its costs one-third by replacing its obsolete machinery with up-to-date equipment.

Ideas concerning obsolescence are changing rapidly and will change still more in the years to come. We are learning that it is more profitable to discard hale and hearty machines than to wait for them to wear out, provided that sufficiently better ones are to be had. Our conceptions of fixed and standardized rates of depreciation on equipment have been sadly jolted, with the realization that age has little to do with obsolescence and invention nearly everything to do with it. The old accounting methods which arbitrarily gave production machinery a life of from fifteen to twenty-five years have turned out to be a delusion and a snare. They have enticed many a company into paying out in dividends what should have been set aside for a replacement reserve. An insurance actuary who estimates the probable life of his prospect as twice what it should be is making no more costly or dangerous error than the factory accountant who does the same with industrial equipment.

Modernization Creates Employment

Some executives who are thoroughly convinced that the replacement of existing equipment would be profitable to their companies hesitate to take action at this time because they think that further mechanization might increase unemployment.

We must look at this problem in the large way, not in the small way, because depressions, like booms, affect all of us and not a few individual concerns. Looking at it in the large way, unemployment can only be diminished by creating a condition which will result in a greater volume of business. Unemployment will only diminish when people buy more things. But how can they buy more with unaugmented or diminished income unless costs be reduced?

The formula tells the story. Unless we can raise average income, the only possible way to create more volume is to reduce average cost. That is why mechanization, instead of making jobs scarce, makes them plentiful when we apply it *honestly* to the formula.

"But," some one asks, "Did not American industry apply mechanization more intensely than ever in the decade following the war? Why then the depression? Something is the matter with the formula."

The formula is not to blame; it was not applied *honestly* during the past decade. It was applied honestly during the post Civil War price decline.

Machinery multiplied wealth during the past decade in a measure greater than ever before. But speculation, inflation, Government overhead, graft, racketeering, overcapitalization and other voracious prosperity-de-

stroying vermin multiplied even faster. Cost reductions were not passed along to consumers in the measure they should have been to reduce the divisor. Average income was depleted by the nibbling of the non-productive vermin, and wages were not increased in the same proportion to output as during the thirty-year price decline. Improved machinery was doing its part, but we were not doing ours.

Modernization of American industrial equipment and the consequent stepping up of production efficiency and stepping down of unit costs will play a large part in determining the future skyline of American business. So will the banker, who, through the control of cash and credit, is in position to say how far this modernization will extend and where it can take place.

The banker has a heavy load of responsibility upon his shoulders today, not merely in the safeguarding of the twenty-eight billions of American savings that are now entrusted to his care, but in so investing them that they will properly multiply. There is no reward here or hereafter for the custodian who merely buries his entrusted talents for safekeeping. Idle dollars bring home no bacon.

The ideal way in which to put these idle dollars fruitfully to work is to invest them in the increased profits to be made through modernizing American industry. Improvement in mechanization will multiply dollars more quickly and surely than any other means be-

cause it means cost saving and expansion of consumption. Many concerns, particularly the smaller ones, that could pay for the cost of equipment modernization out of increased profits in a year's time cannot secure the money for the purpose because of the commercial banker's insistence upon the "fluidity" of loans. But even the most fluid loan can quickly become frozen when industry gets "cold feet." And we need the smaller buildings in our future skyline of industry as well as the big skyscrapers. The banker's viewpoint is changing somewhat in these matters and must change still more before a modernization program becomes an established fact.

Before long the committee of the whole, consisting of the many minds of business, industry and finance that are concentrating upon our present economic problem, will render their report. Not in formal fashion will this be done, but by the gradual crystallization in many minds of the fact that there is a simple, logical, tried and tested way out of our difficulties. We recommend to these many minds the study of the simple prosperity formula which when honestly and earnestly applied has never failed to work for the good of capital, labor and the public. It is bound to lead them to the truth so well known to men of industry, that improved machinery holds the secret of low cost production and increased per capita wealth.

Let's discard the higher mathematics and put simple arithmetic to work to build industry's new skyline.

Gradual Improvement Since First of Year Is Observed by "Monthly Survey of Current Business"

COMPREHENSIVE and reliable indexes contained in the first issue of the new and revised *Monthly Survey of Current Business* made available on June 1 by the Department of Commerce indicate that a new low point in business volume was established in January, from which each subsequent month has recorded slight improvement, after making allowance for normal seasonal movements, according to W. L. Cooper, director of the Bureau of Foreign and Domestic Commerce.

Information in the revised publication shows, Mr. Cooper states, that recent improvement in several lines of trade and industry justifies the belief that the first quarter of 1931 marked the turning point in the prolonged decline in business which commenced nearly two years ago.

The purpose of the revised publication is to bring together in one volume for convenient reference the whole range of official and private statistics which relate to business activity in the United States.

"The seasonally adjusted index of factory production computed by the Federal Reserve Board, reflecting the combined output of the leading manufactured

products in April, showed the fourth consecutive monthly gain, with a total advance of 11 per cent from the low level of mid-winter," to quote Mr. Cooper.

"This expansion of factory output is not attributable to the iron and steel, construction and heavy equipment industries which have continued at low ebb, but to improvement in industries producing finished goods for consumption—namely food products, textiles, leather and shoes, and automobiles.

"The cotton textile industry, particularly, has maintained its recent strength, with mill consumption of raw cotton in April the largest in a year and stocks of cotton goods reduced by 36 per cent from the level of a year ago.

"The adjusted index of leather and shoe production increased by 7 per cent from March to April, and in the latter month was higher than at any time since May, 1930. Output of prepared food products, after allowance for normal seasonal variation, increased by 10 per cent between March and April, and in the latter month was larger than in any month since May, 1930.

"Automobile output, likewise, has in-

creased steadily during the past five months, and the production of 335,708 cars in April was the largest since last spring. It is significant also that stocks of automobiles are being kept at conservative levels so that existing operating rates reflect current demand.

"This expansion in manufacturing together with seasonal resumption of outdoor work has resulted in some improvement in the unemployment situation, with a notable reduction of part-time work and, according to our estimates, a substantial reduction in the number of unemployed since mid-winter.

"A most encouraging development is the recent improvement in retail buying reflected in the Federal Reserve Board's index of department store sales. When consideration is given to the substantial decrease in retail prices, it is clear that April sales, in physical quantity, probably exceeded those of any other April in recent years. Sales in April showed a marked increase over the March volume despite the fact that, on account of the early date of Easter this year, most of the Easter buying came in March.

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Decision Against Warehousing in Rail Storage Inquiry

I. C. C. Ruling Is
Adverse by 5 to 4

By STEPHENS RIPPEY

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

OVER a vigorous dissenting opinion by Commissioner Joseph B. Eastman (in which he was joined by Commissioners McManamy, Porter, Tate and Mahaffie), the Interstate Commerce Commission has affirmed its previous decisions in Docket 12681, Charges for Wharfage, Handling, Storing, and other Accessorial Services at Atlantic and Gulf Ports, and has discontinued the proceeding.

The latest decision by the Commission came after the case had been reargued on the questions of storage and dockage charges. The reargument was the result of a petition by the American Warehousemen's Association.

The Commission's specific findings in its final decision were that "the evidence is insufficient to show that the transit storage charges on export, import, coastwise, and intercoastal traffic impose a burden upon other traffic or is otherwise unlawful and that the failure to make dockage charges against steamships does not violate the Elkins Act."

In his dissenting opinion Commissioner Eastman scored the majority for taking the attitude that the evidence adduced in the case had been insufficient. He reminded them that the original investigation was undertaken on the Commission's own initiative and that the

burden was on the Commission to make an adequate record. He called for a further thorough investigation of the storage and dockage practices of the railroads, declaring, in effect, that he was far from satisfied with the present disposition of the proceeding.

"In my judgment a situation exists as to storage charges at the Atlantic and Gulf ports, and particularly in New York harbor, which is plainly contrary to the general interest and which in all probability is resulting in specific violations of the statutes which it is our duty to administer," Commissioner Eastman said. "It merits further and thorough investigation at our hands."

Speaking of dockage charges, Commissioner Eastman said:

"In the present financial situation of the railroads, I submit that this general practice on the part of the railroads of providing a valuable service for nothing is a practice which merits thorough and exhaustive investigation, such as it clearly has not as yet had on this record.

"If such an inquiry is made, I also venture the prediction that it will be found that the absence of charges for this service is a result of competition; that no carrier now benefits from the practice, since it has become uniform; that on the contrary it is a burden to them all; and that it is quite practicable, if they all agree, to eliminate this burden and secure substantial revenue from the service."

IN the majority report the Commission said the record showed that at many of the south Atlantic and Gulf ports State or municipal facilities were used rather than those of the railroads.

"At both north and south Atlantic ports as well as at the Gulf ports where railroad terminal facilities exist, the record shows that the respondents (railroads) have not in any instance refused to provide storage facilities to any shipper who applied," the Commission said. "On the contrary, respondents insist that they are unable to secure patronage for their storage space, and that their facilities are lying idle, and at south Atlantic ports especially are falling into decay from want of use.

"Petitioner further argues that the storage charges in connection with the traffic under consideration are less than the cost of the service and therefore cast a burden upon other traffic. The carriers, especially at south Atlantic ports, admitted on this record that certain of their accessorial or terminal charges on this traffic are less than the

cost of the service, and that they would like to increase them if they could find a way to do so under the circumstances of competition and other conditions that affect the situation without losing traffic."

The Commission made much of the fact that no one had been refused storage by the railroads. Because the American Warehousemen's Association failed to produce evidence of discrimination of this type, the Commission said, it had failed to show unjust discrimination under section 2 of the interstate commerce Act.

Violations Not Proven

As to the A. W. A. counsel's argument that there was a "clear and unmistakable violation of both the Elkins and interstate commerce Acts," the Commission said that at hearings held in the proceeding all counsel "were repeatedly asked to produce the injured parties, but none was presented."

This line of reasoning was wholeheartedly condemned by Commissioner

Eastman. Quoting the foregoing statement from the majority report, Mr. Eastman said:

"Disregarding the apparent inconsistency with the early announcement that no detailed evidence was desired, this statement indicates a basic misconception of the law. To prove a violation of section 2 of the interstate commerce Act, it may be necessary to show that the storage granted to one shipper at a certain price has been refused to another shipper under similar circumstances.

"But to prove a violation of the Elkins Act, it is not necessary to show discrimination between shippers or to produce an injured party. It is only necessary to show that a 'rebate, concession or discrimination' has been granted, the effect of which is transportation 'at a less rate than that named in the tariffs.' And it makes no difference whether any shipper is complaining, so long as the evidence showing a 'rebate, concession or discrimination' is procured."

Indicating its belief that it has no jurisdiction over the lockage charges of the railroads, the Commission cited a decision handed down by its division 3 (163 I. C. C. 176) since the previous report in the present case was issued. In the division 3 case it was held that the Commission had no jurisdiction over proposed wharfage and dockage charges against vessels occupying space at railroad wharves or which are moored in slip or channel at Honolulu.

Continuing, the Commission said:

"Counsel argues that under certain circumstances, not shown by any evidence on this record, a rail carrier may be granting free dockage to a steamship to influence traffic to move by its line, or that such free service may be used as a concession to cargo owners in connection with the transportation of the freight by rail. Also it is argued that free dockage to vessels may influence the routing of the traffic and be the equivalent of buying traffic. In the present case, however, it appears to be the uniform practice for all of the carriers to grant free dockage to the steamships. The solicitation of freight is an established and costly practice. We cannot deal with that question here.

"Petitioner further argues that the carriers sustain a substantial expense charged to operating expenses in maintaining docks for the use of steamships, and that they include the cost of docks in their property investment accounts. Furthermore, reference is made to Agent Glenn's terminal tariff applicable at south Atlantic ports, which contains a clause to the effect and 'these lines do not guarantee berths for vessels.' This is criticized as being in violation of section 1 of the interstate commerce Act. There is no evidence on this record that any vessel has ever been denied berthing space by any of these carriers.

"Counsel for the carriers serving north Atlantic ports point out that in New York Harbor 'and every other place, almost,' free lighterage is accorded in order to get the freight from the steamship to the rails of the carriers. In other words, free lighterage is a substitute for free dockage. One witness indicated that it would be futile to attempt to charge steamships the cost of lighterage, as such a practice might have the effect of driving steamships to other ports. This practice of free dockage and free lighterage is one that was established gradually throughout the history of railroading in this country, and, it is asserted, a modification at this time would be fraught with many difficulties. In instances where the railroads at New York have docks, it is argued, it would be far cheaper for the railroads to have the vessels come to those docks free of charge than for the railroads to carry their freight to the vessels in lighters. At other ports, such as Baltimore, free lighterage is used by one carrier to meet the competition of another that has its own docks where the steamship may elect to dock. Some of the carriers serving Boston would be willing to make a charge for dockage, but no lighterage

service is performed on this traffic in Boston Harbor.

"Petitioner asks that we direct the carriers to impose dockage charges against steamships in somewhat the same manner that we admonished the carriers in Leases and Grants by Carriers to Shippers, 73 I. C. C. 671, to collect adequate rentals on land leased to shippers. In that case the leases contained agreements for shippers to route their traffic over the lines of the lesser carrier. In the present case there is no evidence that the steamships are shippers, either directly or indirectly, of the freight which they bring to the ports, although upon facts different from those shown it might develop that a dockage charge against steamships would result in an increased cargo rate which the shippers might be required to pay.

AS the accompanying Washington correspondence shows, the American Warehousemen's Association has received another setback in its legal battle to compel railroads to quit their less-than-cost storage business. A majority decision the Interstate Commerce Commission reaffirms the earlier decision in this case (Docket 12681) and has discontinued the proceeding, which had been hanging fire about ten years.

The lone bright spot appears to be Commissioner Eastman's dissenting opinion, which held that the situation merited "further and thorough investigation" by the Commission.

Commissioner Eastman's opinion is quoted liberally, because, as Mr. Rippey here points out:

"It is only with such lucid arguments as Commissioner Eastman presented that warehousemen, in planning a future assault against the railroads on these vital questions, may expect to win their point."

There are no facts on this record that would warrant such a conclusion.

"Upon all of the facts shown of record, we find that the storage charges and the absence of dockage charges do not show a violation of the interstate commerce Act."

Commissioner Eastman's dissenting opinion shows a thorough understanding of the questions involved in the proceeding and of the difficulties under which commercial warehousemen labor in attempting to compete with free, or nearly free, storage offered by the railroads. His opinion is, in fact, of such outstanding interest to warehousemen that it will be quoted here quite liberally. It is only with such lucid arguments as Commissioner Eastman presented that warehousemen, in planning a future assault against the railroads on these vital

questions, may expect to win their point.

"The report of the majority deals inadequately with the two matters under consideration upon further argument and, in my judgment, without clear understanding of the issues involved," Mr. Eastman said. "The two matters are storage charges and dockage charges at the Atlantic and Gulf ports.

"Upon our own motion we undertook to investigate the 'reasonableness and propriety' of these charges. The burden was thus upon us of securing evidence adequate for the purposes of the investigation. In passing upon the 'reasonableness and propriety' of these charges, or the failure to make any charge at all, it is our duty to determine whether or not the situation is such as to result in infractions of the laws which we administer, and also whether it is consistent with economical and efficient management.

"The prior report and the present report on further argument, however, indicate that the majority view the investigation much as if it were a complaint proceeding, with the burden of producing an adequate record not upon us but upon any who happen to be dissatisfied with the situation as it now exists."

Mr. Eastman said there appeared to be a misunderstanding as to the character of evidence desired by the Commission. He recalled the statement in the Commission's previous report that "substantially no concrete evidence is presented on this record that would warrant a finding of unjust discrimination or undue prejudice." He then recalled the offer of the American Warehousemen's Association, in its petition for reargument, to submit more detailed evidence on any point the Commission might desire.

"Until now," the A. W. A. petition said, "this petitioner has conformed to the early announcement that only principles would be dealt with and not detailed evidence.

"If the present record be deemed inadequate, therefore, from the standpoint of detailed evidence, we have before us a prayer that it be reopened for the purpose of remedying this deficiency," Mr. Eastman said. "This prayer is disregarded by the majority.

"As I understand the law," he continued, "it is the duty of the delivering railroad to hold inbound freight without extra charge a sufficient length of time to give the consignee a reasonable opportunity to come and take it. This is called 'free time' and is part of common-carrier duty. There is a similar duty to hold outbound freight, after it is delivered to the railroad by the shipper, without extra charge until the railroad is ready to transport it. Compensation for this 'free-time' storage is or should be covered by the line-haul rates. After such reasonable time on inbound freight expires, the railroad becomes an involuntary warehouseman and may levy storage charges which are partly penalty and partly compensation for service. This is not common-carrier duty, and the charges for such service are not and

should not be covered by the line-haul rates. In this connection I am somewhat at a loss to understand what may be meant by the following sentence in the majority report:

"The line-haul rates are not involved in the present proceeding, and there is no evidence to show that they are insufficient to cover the storage service under consideration even if that service were performed free."

"No one, so far as I am aware, has ever contended that line-haul rates purport to cover or could lawfully be made to cover storage service beyond the limited 'free time' mentioned.

"With respect to the issues considered on further argument, we are not concerned with 'free-time' storage or with involuntary storage on inbound freight, for no question as to these services is raised. We are concerned with storage service which the carriers voluntarily render for long periods of time, mainly, although not exclusively, on outbound import freight.

A Citation

"Before proceeding further it may be well to consider our past pronouncements on this general subject. In *New Orleans Storage Rules and Regulations*, 28 I. C. C. 605, 607, we said:

"This Commission has repeatedly said that it was no part of the duty of a common carrier by rail to furnish warehouses for the storing of the articles transported, even though the convenience of its patrons might so require. We have consistently held that carriers might impose such charges as would compel the removal of freight from their depots and freight sheds. We have in several cases sanctioned the imposition of charges like these upon an ascending scale."

"We have said that the business of carriers is transportation and not storage, *Export Freight Free Time*, 47 I. C. C. 162, 179; that beyond such time as may be required to afford shippers a reasonable opportunity to remove shipments, storage is no part of the duty of a common carrier, and that carriers may impose such charges as will promote the removal of freight from their premises, *Dakota Monument Co. v. Director General*, 59 I. C. C. 101, 103; and that it is justifiable and necessary for the carriers to impose higher storage charges than are fixed by commercial warehousemen, *Blackman v. Southern R. Co.*, 10 I. C. C. 352, 358. Numerous other cases of similar purport could be cited.

"The record here shows that the carriers at the Atlantic and Gulf ports, more particularly at the north Atlantic ports and especially at New York Harbor, are providing voluntary storage on a most extensive scale, either directly or indirectly through subsidiary companies; that cars, piers, stations, and separate warehouse buildings are used for this purpose; that such voluntary storage is accorded for long periods of time; and that the charges assessed therefor, particularly on outbound im-

port freight, are in many instances far below the level maintained by commercial warehousemen, who must, as the prior report herein suggested, rely entirely upon such charges and other similar charges for their revenues, and are probably below any level that might, under the broadest interpretation of the words, be termed 'reasonably compensatory.' So far as this conclusion as to the level of the charge is concerned, it is significant that the majority, both in the prior report and in this report, avoid any conclusion to the contrary. The most that could possibly be said on the other side is that the evidence does not warrant a definite conclusion on this point. But if it does not, it is our duty to proceed further with our investigation.

"The evidence also shows that the carriers do not assume any obligation to provide this voluntary storage for all. On the contrary they limit it to property which has been transported or is intended to be transported over their lines. The majority quote on this point a tariff provision of the southern lines, but they might have quoted even stronger tariff provisions of the northern lines. The fact is not disputed, but the majority fail to appreciate its significance. They say that the 'record is conclusive that the respondents have not in any instance refused to provide storage service to any shipper who applied.' Considering the limited scope imposed upon the evidence from the outset, it is difficult to see how it could be 'conclusive' upon this point. But this is not important. The important thing is that the carriers have gone far beyond their common carrier duty and have engaged extensively in voluntary storage, but without assuming the ordinary duty of general warehousemen to serve all alike, be they shippers or not. On the contrary, they have confined it to property which has been or is to be transported over their lines.

"Our Duty to Find Out"

"Particularly in view of this fact, a fair inference from the evidence is that this storage service, at rates which are certainly not shown to be reasonably compensatory, is offered for the purpose of granting concessions to shippers which will induce them to ship over the lines of the carrier offering such service. If this is not the situation, it is our duty to find out what the facts are. Obviously a contrary conclusion could not be reached on the record as it now stands.

"In *Leases and Grants by Carriers to Shippers*, *supra*, where, incidentally, no shippers were complaining, we said at page 683:

"No justification exists for the leasing of railway lands to industries at a nominal rental charge. In cases where nominal or wholly inadequate rentals are reserved in leases, it is evident, and indeed conceded, that traffic considerations are the moving cause, so far as the carriers are concerned. Where it clearly appears that the traffic of the lessee is in part the considera-

tion for the lease, the conclusion follows almost inevitably that the transaction amounts to a concession to the shipper-lessee, in violation of the Elkins Act and of sections 2 and 6 of the interstate commerce Act."

"We also said:

"Every effort should be made by carriers to obtain, when leasing land to shippers, terms no less favorable than would be obtained under similar conditions and restrictions of use, were the land owned independently of the railroad."

"This language could easily and appropriately be paraphrased to cover the situation here presented. The leasing of land and the renting of storage space are essentially similar transactions. Certain shippers of the same commodity have need for storage, whereas others do not. When those who need it are accorded storage, directly or indirectly, by a railroad at a charge below the reasonable market level for similar storage by warehousemen having no railroad affiliations, it needs no argument to prove that those shippers are being given a 'concession,' the effect of which is transportation 'at a less rate than that named in the tariffs.'

How Concessions Develop

"It should be understood how such situations arise. The intense competition of the railroads for traffic is well known. One carrier finds that it can induce traffic over its lines by 'concessions' such as result from inadequate storage charges. Once it has inaugurated such a practice, other carriers gradually fall in line, until the practice becomes established and practically uniform. When that point is reached, no carrier benefits and all assume a common burden. Yet no individual carrier dares to break up the practice. Moreover, the benefits accrue so uniformly to shippers who need storage, and so many have need for it at one time or another, that complaint from shippers is not likely to arise. Yet there is a manifest burden upon other traffic, if rates are to be made high enough to provide the return for the carriers which the law contemplates. Any practice by carriers which involves an economic loss or waste is clearly a burden upon somebody, either upon particular shippers, or upon shippers in general, or upon the carriers themselves; and wherever this burden falls it is inconsistent with the general public interest.

"With respect to dockage, the evidence shows that this is a service performed by the carriers for which, with one trifling exception, they exact no compensation whatsoever. In the prior report the majority stated, and they repeat here, that the evidence 'does not show that because of the free dockage described the channel of traffic is diverted from one port to another or from one carrier to another at the same port.' So far as I am aware, no one has suggested such diversion. Inasmuch as the

(Concluded on page 57)

Examiner's Barge Line Report "Too Narrow and Restricted"

A.W.A. Argues Further
in Waterways Case

BY STEPHENS RIPPEY

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

EXAMINER William A. Maidens treatment in his proposed report of the issues involved in the American Warehousemen's Association complaint filed with the Interstate Commerce Commission against the Inland Waterways Corporation (Docket 23510) was "entirely too narrow and restricted," according to exceptions filed with the commission by L. F. Dasplit and Harry C. Ames, attorneys for the A. W. A.

"He has treated the case solely as a selfish quarrel between warehouses operated by private interests, on the one hand, and those operated by the barge line common carrier on the other hand, thus placing in the background the broader public aspect of the case," the A. W. A. brief says.

The exceptions declare Examiner Maidens has fallen into two fundamental errors in his report:

1. In the undue restriction of the issues, and
2. In concluding that inadequacy of the so-called storage charge of the Federal barge line at Memphis, Birmingham and Holt has not been proven.

"For example," the exception states, "we can not conceive that the Examiner or the Commission could start with the premise that the barge line is according storage in transit for a period up to sixty days, without compensation, and reach any conclusion other than that such a practice is unlawful. We hope, therefore, that the Examiner will again review the evidence on this point in the light of our original brief and this brief of exceptions to ascertain the true facts.

"We have here a situation which profoundly affects the public interests. Here is a barge line common car-

rier, already enjoying a rate differential which is at least designed fully to overcome its natural transportation handicap, offering an additional bounty to shippers in the form of a free storage privilege.

"Further, it openly defies this Commission to stop it, relying upon the former's lack of power to prescribe minimum rates for application over its line and connecting rail carriers. We have its companion barge line, operated by private capital, asking that the service be discontinued as an unwarranted wasting of revenue.

"This defendant is under a public duty to maintain rates for transportation on particular commodities on a level sufficiently high as not to impose any added burden on other traffic. It can not comply with that duty by according free service and the duty is not satisfied by its Governmental subsidy. Nor does the specific exception in the Act concerning the minimum rate power relieve it of this duty because the offense in casting an unwarranted burden on other traffic is discriminatory in its nature and is not based solely upon revenue considerations.

"The fact that this service is offered without discrimination to all shippers who use the barge line service is no defense of the practice here assailed. The service is not offered to those shippers who use the barge line service in conjunction with the warehouses of complainant's members.

"Complainant's members, as shippers or as representatives of shippers, have a right to fair and equal treatment at the hands of this common carrier defendant. They also have a right, as a part of the shipping public, to call this Commission's attention, by complaint to any violation of the Act. 'There is no right without a remedy.'"

CONTENTIONS by the American Warehousemen's Association that Examiner Maidens erred in holding the Commission had no jurisdiction in the dispute between warehouses and the Federal barge line also are upheld in a brief of exceptions filed by E. V. Rhodes for the Texas Sugar Refining Corporation, Texas City, Tex., intervener in the case.

According to this intervener the practices of the barge line in affording storage at Memphis, Birmingham and Holt are "so repugnant to public policy and to the whole philosophy of the interstate commerce Act that the Commission should never in such a case even consider the question of the special interests of the parties complainant."

"The Commission should proceed as on its own motion to stamp out any such practice brought to its attention," the

intervener said. "If it be a fact that any favoritism not founded upon cost of service or legitimate managerial powers of the defendant, is being accorded shippers using defendant's warehouses, it is the Commission's duty to eliminate the practice. Personal interest of complainant is immaterial."

As to the inference by Examiner Maidens that the A. W. A., not being a shipper, had no right to bring the action before the Commission, the Texas Sugar Refining Corporation declared that "in a matter so deeply involving the public interest as rebating, any citizen, whether shipper, receiver, farmer or minister of the Gospel, has the right to complain."

"Therefore," the brief continues, "the statement of the Examiner that complainants are not shippers would be immaterial in any event. But complainants are shippers in their relations with

carriers. They receive freight from the carriers, pay the charges thereon frequently, deliver freight to the carriers, and contract with the carriers for the transportation thereof. What more is necessary to fix their status as shippers?"

The Commission's jurisdiction over the complaint is assured by the fact that "the rebates complained of are made in connection with through interstate water-and-rail traffic, and that is enough," the brief continues.

Replying specifically to the A. W. A. brief, W. M. Hough, traffic manager for the Inland Waterways Corporation, declares that the record in the case is "absolutely barren of proof that the charges assessed for the practice assailed are such as to cast a burden on any other traffic whatsoever.

"Furthermore," the brief for defend-

ants continues, "as we have pointed out, the complainant has absolutely no interest in the traffic to which attaches the privilege assailed, nor in any other traffic transported by the barge line.

"Even if this were not so, however, the case last cited [Rail-and-Water Rates from Atlantic Seaboard, 63 I. C. C. 267] makes it clear that Congress has withheld from the Commission the power to require increases or charges applicable in connection with the transportation of property over a water-and-rail route."

In the decision cited by the defendants the Commission said:

"Whatever powers we may have under such circumstances are limited by the fact that the Act does not confer upon us the power to prescribe minimum rates over a through route where one of the carriers is a water line."

Jurisdiction Argued

Supporting its contention that the Commission has no jurisdiction over the barge line's storage charges, the defendant says the charges are shown in "local tariffs published by the Federal barge lines, no rail line being a party thereto."

Taking up the question of the Commission's jurisdiction, Attorneys Daspit and Ames say:

"The injury to complainant's members arises from the fact that since the barge line has inaugurated the practice of storing this sugar for a charge which does not begin to cover even the cost of handling into and out of storage, they have lost substantially all of the business which they formerly enjoyed.

"If the practice of the barge line operates to create undue prejudice to them and to shippers whom they represent, then they are entitled to a remedy at the hands of this Commission. And they are also entitled to an order from this Commission putting a stop to the practice, if they show that it violates any other provisions of the Act.

"It will thus be seen that the situation operates to the injury of

"1. The complaining warehouses in that they are deprived of the opportunity of according storage whenever traffic is diverted from the rail lines, and are denied the opportunity to store sugar handled by the barge line, except where that line does not own or lease its own warehouses.

"2. The competing rail lines, in that their service is deprived of its natural advantages.

"3. Other shippers of sugar who are not in position to use the barge line facilities but, to meet the competition thus created, must absorb the difference in the through cost of selling, and

"4. As a direct burden on other traffic which must be made to compensate for the free service accorded on this traffic."

The A. W. A. brief sets out six premises on which, it says, Examiner Maidens' conclusion seems to be based. They are:

1. The inadequacy of the storage charge is not "convincingly" established.

2. Complainants are not shippers.

3. No shipper using the privilege is complaining against it.

4. No shipper using the barge line has been refused the privilege.

5. The grant of the privilege is analogous to the grant of free dockage to steamships as an aid to solicitation.

6. The apparent thought that restriction or limitation upon the service accorded by the barge line under its rates would be tantamount to a minimum rate order.

"To every one of these premises save (3) we most earnestly except," the complainant says. "As to (3) we are ready to concede that no shipper using the privilege has complained against it. We go further. We concede that no shipper who uses the service would be likely to complain against it."

Setting forth twelve specific points of disagreement with Examiner Maidens' statements and conclusions, Messrs. Daspit and Ames proceed to develop their brief.

The first exception is to a statement by the Examiner that testimony introduced at the Memphis hearing tending to show that the barge line's storage privileges at Memphis result in the barge line having become more desirable than the all-rail route "is not very helpful in the determination of the issues here."

This statement that such testimony is "not very helpful," the complainants argue, makes it apparent that "he does not fully appreciate the issues." That being so, the brief says, the remaining part of the examiner's report is "unresponsive to the issues."

The second exception deals with a statement by the Examiner in which he outlines three alternative remedies sought by the complainant, as follows:

"While complainant contends that the alleged unfair practices should be remedied by either one of three methods, (1) by broadening of the transit arrangements so that shippers may have the option of storing in the facilities of either defendant or the privately owned warehouses, (2) by requiring defendant to increase its storage charges to a level comparable with those observed by the privately owned warehouses, or (3) by requiring defendant to cease and desist from the warehouse business entirely, the evidence indicates that complainant's members are primarily interested in the second method."

Handling Costs

This is an incorrect statement of the relief sought, according to the A. W. A. brief. The association is not seeking a specific remedy, the brief indicates, but leaves the remedy to the Commission.

The statement by Examiner Maidens that "the evidence does not convincingly establish the inadequacy of the storage charges assailed" is the third exception. This conclusion, the brief says, "strikes at the very heart of the case and we are completely at a loss to understand how the Examiner could gain such an impression from the evidence of record."

The brief then proceeds at some length into testimony introduced to show that the storage charge covers only a part

of the handling costs and does not take into account rental for storage space, overhead, interest on investment, or clerical cost.

Examiner Maidens' holding that the A. W. A. case could not be compared with the case of *McCormick Warehouse Co. vs. Pennsylvania Railroad*, 148 I. C. C. 299, constitutes the fourth exception of the complainant. In the McCormick case the Commission held that the warehouse, even though not the owner of goods shipped, had been given dominion over them for transportation purposes and that for such purposes it should be deemed the consignor of shipments from and consignee of shipments to its warehouse.

Claims Right to Complain

The case was cited by the A. W. A. to substantiate its claim that it had a transportation interest in shipments involved in the barge line storage case and, because of such interest, had a right to bring the complaint before the commission.

Mr. Maidens, however, held that the facts in the McCormick case were entirely different from those in the A. W. A. case.

This point is discussed at considerable length by Messrs. Daspit and Ames, who quote section 13 of the interstate commerce Act to prove that a complaint may be brought before the Commission by "any person, firm, corporation, or association, or any mercantile, agricultural or manufacturing society or other organization."

For its fifth exception, complainant takes the "apparent weight" which the Examiner accords to his statement that the record does not show "that any shipper using the barge line service has been refused the services complained of."

"There is no point to this statement and we do not see how it can be at all helpful in the issues here presented," the brief says. "The claim of 'discrimination' here presented is by shippers who either do not use the barge line service or by shippers who use the facilities of complainant's members. The fact that the service is held open to all shippers who use the barge line service, plus the free storage privilege, is no answer to either charge. This statement should be stricken from the report."

For its sixth exception, the complainant assails Examiner Maidens' statement that "the storage and handling service performed by defendant at its terminals is in the nature of that performed by carriers when they grant free dockage to steamships as a solicitation for freight."

"This is one of the most startling statements in the report" the brief says. "The grant of free storage in transit to a shipper-patron is found analogous to the grant of free dockage to a connecting water carrier. There is absolutely no analogy in the two services. One is the mere mechanical means of interchanging traffic between two common carriers; the other is a direct service to a shipper."

"A carrier by rail might well offer

a free dockage privilege to a connecting water carrier as an aid to the solicitation of business, but when it offers free service to a shipper it is directly violating the provisions of section 1, paragraph 4 [of the interstate commerce Act]."

Examiner Maidens' statement of the defendant's position as to jurisdiction of the Commission is the basis for the seventh exception.

"The proposition that rail-and-water service has been excepted from the minimum rate power of the Commission is one of the 'stock' defenses of the barge line," the brief says. "It seems to feel that the Commission's lack of power to prescribe a minimum rate for its service completely immunizes it from any practice it may care to indulge in in respect of the rate."

"This on the theory that prescribing the maximum service to be accorded under a rate is tantamount to fixing a minimum rate. The argument is ingenious but totally unsound, as applied to the facts in this case. The practice here assailed is provided for in a tariff separate and distinct from the rate tariff. The service provided for is supplementary to the service provided for in the rate tariff."

"Although the two tariffs are used in connection with through shipments, it is beyond question that the 'storage' service, covered in the transit tariff, is a separate and distinct service local to the line which publishes it. If it is a transportation service it should be subject to a reasonable charge. If it is not a transportation service then the barge line is making a clear concession and its argument in respect of minimum rates has no application."

"Moreover, if this contention of the barge line is to prevail, the Commission is confronted with a serious proposition. The barge line will be free to confer any special and added privilege it may conceive to be necessary to divert traffic to its line, the Commission will be powerless to prevent such unfair competitive methods, and the rail carriers must either meet the competition or retire from the business."

"We can not believe that the law leaves competing rail carriers and the Commission in such an impotent condition. The grant of collateral privileges

under a through rate, in addition to those normally covered by such rate, may be condemned as in violation of section 1, paragraph 4, or as casting an undue burden on other traffic."

For exception No. 8 the complainants take a quotation made by Mr. Maidens from the Commission's decision in *Wharfage Charges at Atlantic and Gulf Ports*, 157 I. C. C. 633, as follows:

"Our activities are limited by the terms of the interstate commerce Act. The municipal or private rail-water facilities are in many instances active competitors of the rail carriers for terminal business, and under the law carriers are under no obligation to make their charges with a view of insuring a profit upon operations of other public terminals."

"Railroads may make such rules, regulations, and practices as will lawfully reserve traffic to their own rails and facilities. There can be no violation of the Act when carriers fail to place certain of their charges on a basis which will enable their competitors to take away their business."

The application of this citation is lost, the A. W. A. says, because Examiner Maidens' omitted from his quotation the concluding sentence of the paragraph reading:

"The question here is whether the carriers' attempt to meet competition of ports results in charges that are so low as to impose a burden on other traffic. The evidence does not support such a conclusion."

"In other words," the A. W. A. brief says, "the Commission recognized fully the right of one carrier to hold traffic to its rails against competing carriers, by legitimate means. At the same time it definitely placed a limitation on that right by saying that such steps could not lawfully be taken if the resulting charges were so low as to cast a burden on other traffic."

Mr. Maidens' failure to consider and pass on all the allegations made in the complaint, is the basis for the ninth exception. His discussion of the allegations is said to be "wholly inadequate."

For Exception No. 10, the A. W. A. takes a statement of the competitive situation made by Mr. Maidens which, it says, leaves the impression that without the transit arrangement of the barge

line there would be an unfair competitive situation as between the barge line and competing rail lines.

"Nothing could be further from the truth," the brief says. "This record shows that the rail carriers, in storing sugar in transit, use privately owned warehouses in which storage is had at the regular commercial rates. As stated, the barge-rail rates are differentially under the all-rail rates. Therefore, if the barge line allowed storage in transit, but used the facilities of private warehouses, it would be in precisely the same position as its rail competitors. Its natural handicaps of competition would be reflected in its rate differential as it is on all other traffic. Make no mistake. This arrangement was not established to equalize the rail service. It was established to outstrip it, and it is succeeding admirably toward its goal. In our opening statement we have shown in detail how this competitive situation works out in practical effect."

As Exception No. 11, the A. W. A. brief attacks language used by the Examiner declaring that it is "essential" that ample room under cover be afforded for the carrying on of interchange from barge to cars.

This contention, the brief says, "simply amounts to an effort on the part of the barge line to convince the Commission that the rental of this huge facility at Memphis for \$72,100 per annum was necessary in any event as a part of its through operation, so that this storage is really nothing more than an incident."

For its last exception the complainant quotes a statement by Mr. Maidens to the effect that the barge line would be willing to extend the application of the sugar transit privileges to independent warehouses, if any existed on the river banks at Memphis, Birmingham or Holt.

"Quite naturally the alleged good faith of the barge line in offering other warehouses on river banks a similar privilege means nothing," the brief declares. "It is not a question of our securing this business at the rates published by the barge line which constitutes the prejudice. It is brought about by the practice of the barge line in storing sugar at a basis upon which a private warehouse could not exist that causes the hurt."

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"Even if this were not so, however, the case last cited [Rail-and-Water Rates from Atlantic Seaboard, 63 I. C. C. 267] makes it clear that Congress has withheld from the Commission the power to require increases or charges applicable in connection with the transportation of property over a water-and-rail route."

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Jurisdiction Argued

Supporting its contention that the Commission has no jurisdiction over the barge line's storage charges, the defendant says the charges are shown in "local tariffs published by the Federal barge lines, no rail line being a party thereto."

Taking up the question of the Commission's jurisdiction, Attorneys Daspit and Ames say:

"The injury to complainant's members arises from the fact that since the barge line has inaugurated the practice of storing this sugar for a charge which does not begin to cover even the cost of handling into and out of storage, they have lost substantially all of the business which they formerly enjoyed.

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"To every one of these premises save (3) we most earnestly except," the complainant says. "As to (3) we are ready to concede that no shipper using the privilege has complained against it. We go further. We concede that no shipper who uses the service would be likely to complain against it."

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This statement that such testimony is "not very helpful," the complainants argue, makes it apparent that "he does not fully appreciate the issues." That being so, the brief says, the remaining part of the examiner's report is "unresponsive to the issues."

The second exception deals with a statement by the Examiner in which he outlines three alternative remedies sought by the complainant, as follows:

"While complainant contends that the alleged unfair practices should be remedied by either one of three methods, (1) by broadening of the transit arrangements so that shippers may have the option of storing in the facilities of either defendant or the privately owned warehouses, (2) by requiring defendant to increase its storage charges to a level comparable with those observed by the privately owned warehouses, or (3) by requiring defendant to cease and desist from the warehouse business entirely, the evidence indicates that complainant's members are primarily interested in the second method."

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"The proposition that rail-and-water service has been excepted from the minimum rate power of the Commission is one of the 'stock' defenses of the barge line," the brief says. "It seems to feel that the Commission's lack of power to prescribe a minimum rate for its service completely immunizes it from any practice it may care to indulge in in respect of the rate."

"This on the theory that prescribing the maximum service to be accorded under a rate is tantamount to fixing a minimum rate. The argument is ingenious but totally unsound, as applied to the facts in this case. The practice here assailed is provided for in a tariff separate and distinct from the rate tariff. The service provided for is supplementary to the service provided for in the rate tariff."

"Although the two tariffs are used in connection with through shipments, it is beyond question that the 'storage' service, covered in the transit tariff, is a separate and distinct service local to the line which publishes it. If it is a transportation service it should be subject to a reasonable charge. If it is not a transportation service then the barge line is making a clear concession and its argument in respect of minimum rates has no application."

"Moreover, if this contention of the barge line is to prevail, the Commission is confronted with a serious proposition. The barge line will be free to confer any special and added privilege it may conceive to be necessary to divert traffic to its line, the Commission will be powerless to prevent such unfair competitive methods, and the rail carriers must either meet the competition or retire from the business."

"We can not believe that the law leaves competing rail carriers and the Commission in such an impotent condition. The grant of collateral privileges

under a through rate, in addition to those normally covered by such rate, may be condemned as in violation of section 1, paragraph 4, or as casting an undue burden on other traffic."

For exception No. 8 the complainants take a quotation made by Mr. Maidens from the Commission's decision in Wharfage Charges at Atlantic and Gulf Ports, 157 I. C. C. 633, as follows:

"Our activities are limited by the terms of the interstate commerce Act. The municipal or private rail-water facilities are in many instances active competitors of the rail carriers for terminal business, and under the law carriers are under no obligation to make their charges with a view of insuring a profit upon operations of other public terminals."

"Railroads may make such rules, regulations, and practices as will lawfully reserve traffic to their own rails and facilities. There can be no violation of the Act when carriers fail to place certain of their charges on a basis which will enable their competitors to take away their business."

The application of this citation is lost, the A. W. A. says, because Examiner Maidens' omitted from his quotation the concluding sentence of the paragraph reading:

"The question here is whether the carriers' attempt to meet competition of ports results in charges that are so low as to impose a burden on other traffic. The evidence does not support such a conclusion."

"In other words," the A. W. A. brief says, "the Commission recognized fully the right of one carrier to hold traffic to its rails against competing carriers, by legitimate means. At the same time it definitely placed a limitation on that right by saying that such steps could not lawfully be taken if the resulting charges were so low as to cast a burden on other traffic."

Mr. Maidens' failure to consider and pass on all the allegations made in the complaint, is the basis for the ninth exception. His discussion of the allegations is said to be "wholly inadequate."

For Exception No. 10, the A. W. A. takes a statement of the competitive situation made by Mr. Maidens which, it says, leaves the impression that without the transit arrangement of the barge

line there would be an unfair competitive situation as between the barge line and competing rail lines.

"Nothing could be further from the truth," the brief says. "This record shows that the rail carriers, in storing sugar in transit, use privately owned warehouses in which storage is had at the regular commercial rates. As stated, the barge-rail rates are differentially under the all-rail rates. Therefore, if the barge line allowed storage in transit, but used the facilities of private warehouses, it would be in precisely the same position as its rail competitors. Its natural handicaps of competition would be reflected in its rate differential as it is on all other traffic. Make no mistake. This arrangement was not established to equalize the rail service. It was established to outstrip it, and it is succeeding admirably toward its goal. In our opening statement we have shown in detail how this competitive situation works out in practical effect."

As Exception No. 11, the A. W. A. brief attacks language used by the Examiner declaring that it is "essential" that ample room under cover be afforded for the carrying on of interchange from barge to cars.

This contention, the brief says, "simply amounts to an effort on the part of the barge line to convince the Commission that the rental of this huge facility at Memphis for \$72,100 per annum was necessary in any event as a part of its through operation, so that this storage is really nothing more than an incident."

For its last exception the complainant quotes a statement by Mr. Maidens to the effect that the barge line would be willing to extend the application of the sugar transit privileges to independent warehouses, if any existed on the river banks at Memphis, Birmingham or Holt.

"Quite naturally the alleged good faith of the barge line in offering other warehouses on river banks a similar privilege means nothing," the brief declares. "It is not a question of our securing this business at the rates published by the barge line which constitutes the prejudice. It is brought about by the practice of the barge line in storing sugar at a basis upon which a private warehouse could not exist that causes the hurt."

Unemployed?

A No-Cost Service

Any storage executive or employee who is out of a job during this period of depression, or who is threatened with loss of his position, or who desires to make an advantageous change, may, *without cost*, insert a "Position Wanted" advertisement in *Distribution and Warehousing*.

Such an "ad" will be a "blind" one. All correspondence will be kept confidential.

Send your advertisement to *Distribution and Warehousing*, 249 West 39th Street, New York City.

DISTRIBUTION

Its Economic Relation
to Public Warehousing

Number 76

*Receipts, Valid and Sham—Progress of Warehousing's Current
National Effort to Contact Banking on Subject of Negotiable
Paper—Warnings Against "Hokus Pokus" Documents*

By H. A. HARINC

AT the Los Angeles convention in January, 1929, when the American Warehousemen's Association finally approved its merchandise division's advertising campaign, the membership was told what was planned in the way of new publicity for warehousing. D. S. Adams, chairman of the advertising committee, and D. D. Davis, the professional advertising representative for the proposed campaign, said at this convention:

"The campaign will explain the warehousing industry to bankers, teachers, students of economics, and here is a very important point. This campaign, continued over a period of years, will bring up a new generation of young business men who will be taught about public warehousing from the moment they first begin to learn about business. Young men will be taught the *advantages* of public merchandise warehousing; so that, five years from now, when you have young men coming out of the schools of business, later to win their places as executives in business enterprises, they will be *warehouse-minded*; their first impulse on approaching any problem of distribution will be to remember that the public warehouse can help do the job."

Hardly had the campaign been launched, in the early months of 1930, before the directors of the association took steps to coordinate its committee work with the aggressive publicity of the industry. The old standing committee, known as the committee on banks and warehouses, which had done a distinct service several times in emergencies by obtaining cooperation from bankers, was reorganized and renamed. The former committee had brought about much-needed support from banks for the uniform receipt, for the standard contract terms and

conditions, for the trust receipt, and for the simplified forms now generally in use. But, with a new problem to face and with a long-continued educational program ahead, the directors constituted a new group under the title of "the committee on banking relations."

This committee was so organized that its personnel would be able to form contacts with each of the twelve Federal Reserve Banks and with the Canadian banks. The committee, therefore, boasts thirteen district chairmen, one for each of the twelve Reserve Districts and the thirteenth for Canada. Its total membership includes almost forty warehousemen, selected not so much for the sake of getting pretty distribution over the map as for their personal fitness to make contacts with banks and bankers. An office boy's name, by use of good paper and clear type, could be made imposing on the letterhead: only a man of high standing in the local community can talk persuasively and convincingly to men of affairs.

In order to emphasize the local importance of these thirteen districts, each district has its own stationery prominently featuring the name of the American Warehousemen's Association as the main caption, and, secondarily, that of the committee on banking relations together with the names of the members for the particular district. Much of the immediate future of the association's work hangs on the activity and the success of this committee, and, in order that our readers may know who these executives are who have been selected to teach bankers the difference between valid and sham warehouse receipts, we are printing the roster of the committee on page 22.

IN the initial appointment of committeemen each was told, in writing, the following:

"This committee is one of the most important of the association. It can do more for recognized public warehouses in their relations with bankers in the use of warehouse receipts as collateral than any other activity of our association.

"The outstanding things which this committee should work for are:

"1. Contacting through advertising, propaganda and personal calls the Federal Reserve Governors of the various Districts.

"2. To contact the credit managers and loan officers of banks generally

throughout the United States and Canada by means of publicity in the banking magazines, by personal calls on bankers with whom we come in contact—impressing upon them the fact that this committee is active and established for the benefit of the banking profession. We should leave no stone unturned to impress on them the value of the A.W.A. seal on a warehouse receipt.

"3. To handle any problems which may come up for members of our association in connection with their banking relations, particularly in connection with the abuse of warehouse receipts issued to borrowers by subsidiary companies."

Advertising

IN order to impress bankers with the actuality of this committee being something more than a paper organization, the association's advertising committee arranged with the advertising agency to prepare copy addressed directly to bankers. This copy has been used, since September, in financial publications. In those media it has displaced the more general copy now familiar to all warehousemen as they have seen it from month to month in other business publications.

The general advertising of the campaign has been aimed at manufacturers and prospective storers of goods.

Committee on Banking Relations of American Warehousemen's Association

National chairman, A. T. Gibson, president Lawrence Warehouse Co., San Francisco.

Federal Reserve District No.		Federal Reserve District No.	
1	District chairman, R. M. Tyler, secretary and manager Standard Storage Co., Boston.	8	District chairman, Charles Roger, president McMahon Transfer Co., East St. Louis, Ill.
2	District chairman, D. L. Tilly, executive vice-president New York Dock Co., New York City.		S. J. Beauchamp, president Terminal Warehouse Co., Little Rock, Ark.
	W. J. Bishop, secretary Keystone Warehouse Co., Buffalo.		E. H. Bacon, vice-president Louisville Public Warehouse Co., Louisville.
3	District chairman, W. B. McKinney, assistant to president Merchants Warehouse Co., Philadelphia.		H. K. Houston, manager United Warehouse & Terminal Co., Memphis.
4	District chairman, Herbert H. Lederer, president Lederer Terminal Warehouse Co., Cleveland.	9	District chairman, Paul W. Frenzel, vice-president St. Paul Terminal Warehouse Co., St. Paul and Minneapolis.
	F. W. Berry, manager Baltimore & Ohio Warehouse Co., Cincinnati.	10	District chairman, W. A. Sammis, secretary Central Storage Co., Kansas City, Mo.
	H. A. Bietenduefel, superintendent Duquesne Warehouse Co., Pittsburgh.		R. V. Weicker, president Weicker Transfer & Storage Co., Denver.
5	District chairman, P. F. Shelton, treasurer Virginia Bonded Warehouse Corp., Richmond.		R. J. Mayer, treasurer Terminal Warehouse Co., Omaha.
	Samuel W. Lippincott, president Terminal Warehouse Company of Baltimore City, Baltimore.		R. A. Wiecker, secretary O. K. Transfer & Storage Co., Oklahoma City.
	J. L. Wilkinson, president Carolina Transfer & Storage Co., Charlotte, N. C.	11	District chairman, G. K. Weatherred, vice-president Dallas Transfer & Terminal Warehouse Co., Dallas.
6	District chairman, T. J. Monroe, president Monroe Bonded Warehouses, Atlanta.		J. C. Peyton, president El Paso Ice & Refrigerator Co., El Paso.
	Jay Weil, vice-president Douglas Public Service Corp., Inc., New Orleans.		S. P. Fleming, president Universal Terminal Warehouse Co., Houston.
	George C. Harris, president Harris Transfer & Warehouse Co., Birmingham.		O. E. Latimer, secretary Scobey Fireproof Storage Co., San Antonio.
	H. C. Avery, vice-president and general manager Union Terminal Warehouse Co., Jacksonville.	12	A. T. Gibson (national chairman), San Francisco.
	Edwin M. Bond, president Bond-Chadwell Co., Nashville.		L. S. Jennings, vice-president Lawrence Warehouse Co., Los Angeles.
	R. B. Young, president Savannah Bonded Warehouse & Transfer Co., Savannah.		R. E. Manning, manager Manning Warehouse & Transfer Co., Portland, Ore.
	E. S. Haile, president Cuban Warehouse Corp., Havana.		W. B. Fohlin, secretary Spokane Transfer & Storage Co., Spokane, Wash.
7	District chairman, L. S. Coates, branch manager Lawrence Warehouse Co., Chicago.		J. H. Cornwall, president Jennings-Caldwell Warehouse Co., Salt Lake City, Utah.
	H. F. Taber, treasurer Michigan Terminal Warehouse Corp., Detroit.	Canada	Chairman, C. F. Basil Tippet, president Howell Warehouses, Ltd., Toronto.

The financial copy seeks to impress on bankers that a "warehouse receipt" may be bad as well as good.

From month to month bankers have been teased on, by suggestions of worthless receipts they may have been accepting, to the point of applying to association headquarters for further information. Such an inquiry turns loose the district committeeman.

One of the first advertisements thus addressed to bankers made this announcement:

At Your Beck and Call In the 12 Federal Reserve Districts

The enormous growth in the use of warehouse receipts in the financing of factory inventories, spot stocks, exports and imports has opened an ever-widening avenue of common interest among bankers and warehousemen.

That the banker handling or considering the handling of warehouse receipts may have a convenient and authentic source of information on the profitable use and legal phases of warehouse receipts, the Banking Relations Committee of the A.W.A. has appointed a member in each of the Federal Reserve Cities to offer free consultation to bankers or groups of bankers on specific problems, as well

as to deliver educational talks at meetings and conventions of bank executives and employees.

Readers were invited to address their inquiries to the Chicago office of the association. In the months that have followed, each advertisement has carried, as its final paragraph, some rewording of the statement that district committees have been set up in the twelve Federal Reserve Districts.

Another effective bit of copy, also from an early month in the campaign, carried this message:

Use This Convenient and Authentic Source of Warehouse Information

In each of the twelve Federal Reserve Cities we have appointed a thoroughly competent member of the Committee on Banking Relations who will be available at all times as your contact with the greatest source of authentic warehouse information in the world.

It will be the pleasure of these twelve members of the Committee on Banking Relations to consult with Bankers or groups of Bankers on any problem pertaining to warehousing or warehouse receipts. They will attend meetings or conventions of bank executives for the purpose of delivering educational talks on the profitable uses or

legal aspects of warehouse receipts as collateral.

And, progressively, the advertisements have touched many angles of the warehouse receipt as handled by the banker. How close this subject is to the banker's daily thinking will be made clear when you are reminded that, during the depression year of 1930, the banks of this country increased their loans on goods in public warehouses by one hundred million dollars.

For six years, according to Robert H. Bean,* who spoke so impressively before the A.W.A. convention in Atlantic City this past January, "from 1925 down to the end of 1930, there has been an ever-growing use of acceptance credits against warehouse receipts." In the year which ended Dec. 31, 1930, with all business moving slowly, the banks closed the year holding \$271,000,000 of loans against warehouse receipts. This is more than a quarter of a billion of

*Executive secretary of the American Acceptance Council. His convention paper, "New Relation of Warehouse Business to Banking," was published in the March issue of DISTRIBUTION AND WAREHOUSING.

dollars which the banks have financed on the security of warehouse receipts. The goods represent every conceivable commodity. The total, moreover, is growing by sums that are staggering to think of.

Therefore, a banker is *obliged* to recognize the warehouse receipt and to think of it as collateral, although only a few years ago he might have been blind to our industry.

With this condition before them, those who plan the association's advertising have designed copy to fit the need. One of the advertisements made this appeal:

How to Recognize HOKUS POKUS In Warehouse Receipts

A careful study of the legal phases of warehouse receipts, will reveal that only a warehouse receipt issued by a bona-fide warehouseman engaged in the business of warehousing for profit is safe as security.

Receipts issued by the borrower posing as a warehouseman for his own economy and convenience have invariably been held invalid and useless and have brought about the very conditions which they were intended to circumvent.

Another carries this message:

Warehouse Receipts Versus Open Credit

In requiring warehouse receipts covering readily marketable merchandise from large borrowers you have in addition to every open credit consideration, tangible security for the loan, plus freedom from the likelihood of third party claims in the event of unexpected financial difficulties.

Investigate thoroughly the peculiar virtues of the warehouse receipt in securing loans to manufacturers, jobbers, brokers and retailers.

Both these advertisements contained also an invitation to the banker to apply for further information at headquarters in Chicago. Both, also, devoted a paragraph to explaining that the regional sub-committees are prepared and equipped to aid, to appear for addressing meetings, etc.

Yet another month's issue of the financial publications built its story about the following theme:

Safeguarding Collateral That Will Not Fit Your Vaults

Through public warehousing you are enabled to obtain readily convertible collateral in the form of marketable merchandise and raw materials—usually the only part of the borrower's assets capable of adequately securing a large loan.

Where the merchandise is not already in a public warehouse, and cannot be moved to one, the public warehouse can be established on the borrower's own premises at slight cost to him.

Our purpose in giving so much space in this article to these financial advertisements is that warehousemen, quite probably, do not come across them in their reading. They may, accordingly, not be aware of the campaign's distinct effort to educate bankers to a knowledge of how a good warehouse receipt differs from that issued by a dummy corporation posing as a warehouse.

Magazine Articles

ALTHOUGH financial advertising of this sort has appeared in several magazines, the funds available for the campaign do not permit spreading out into all the financial publications. The advertising committee has, for this reason, concentrated most of its publicity of this character in *The Bankers' Monthly* of Chicago, published by Rand, McNally & Co. This magazine, in the judgment of the agency, is the best single medium for the purpose.

And, in order to widen the publicity, the association's committee on banking relations has, directly and indirectly, furnished reading matter for banks and their employees.

Warehousemen are familiar with the pamphlet "Subsidiary Warehousing: Not an Approved Substitute for the *bona fide* Warehouseman." This appeared, originally, in the *Bulletin* of the American Acceptance Council. It was written by the editor of that publication, Mr. Bean, who addressed the convention at Atlantic City. His talk of that day has already been twice reprinted as a pamphlet, under the title "The New Relation of the Warehouse Business to Banking." Copies of these two pamphlets have been widely distributed by the committee on banking relations, as will be discussed in a moment.

Reverting, now, our thoughts to *The Bankers' Monthly*, the committee has seen to it that that periodical has printed a number of articles relating to merchandise warehousing. Among them may be mentioned:

"Receipts as Collateral—Trust Receipts: Doubtful; Warehouse Receipts: Safe." By Alvin C. Reis, an attorney of San Francisco.

"Modern Warehousing: a Safeguard of Collateral." By R. H. Bean, executive secretary of the American Acceptance Council of New York.

"Distribution Costs Reduced by the Use of Public Warehouses."

"Warehousing Protects Credits Against Consignment Sale Dangers."

"Financing the Manufacturer or Jobber Through Warehoused Stocks of Goods."

"Dealer Loans Will Be Safer."

"Field Warehousing: More an Instrument of Credit than of Storing." (To appear in July or August.)

These last five articles were written by myself, appearing in four issues since November, with one yet to come. Two of these five have received "star" mention, in the business reviews, as "the best business article appearing in a magazine during the past month."

Editorial mention in *The Bankers' Monthly* has also been accorded the committee on banking relations—trust Chairman A. T. Gibson for that! He is, you see, a good chairman—able to persuade a lawyer, a banker, and poor me, to work for him, not for his glory but for the purpose of creating new business for warehousing!

Other evidence, too, shows that the committee's aggressiveness begins with

that dynamic warehouseman who holds down the title of "national chairman." In a letter to myself, less than one month ago, Mr. Gibson tells me:

"And now here is the shock of your life! Our Committee is a *working committee*. No day goes by that I do not receive a letter from some member of the committee giving me a report on work he has done, letters he has sent out, meetings he has attended, calls he has made upon Federal Reserve governors, Federal Reserve branch managers, community bankers, bank examiners and others connected with the banking channels. Practically every member of the committee has written in for additional reprints of Robert H. Bean's speech before the American Warehousemen's Association meeting at Atlantic City, as well as his article on 'Subsidiary Warehousing.' Requests from the members of the committee have varied from eight to thirty additional copies of these reprints. There has been such a demand for reprints of Robert Bean's speech that it has been necessary for the association to order a second printing.

"Here on my desk I have right now a letter from Col. E. S. Haile, our member at Havana, Cuba, another from Mr. Tyler, our committee chairman in the Boston district, and another from Omaha, as well as a letter from our Baltimore member furnishing me with preliminary copy of a bulletin that the Maryland Warehousemen's Association, at his instigation, is planning to send to all banks in their district encouraging the use of warehouse receipts and pointing out to the bankers the easy manner in which bankers can properly safeguard the handling of credits under receipts. This is just a highlight on the works of our committee, and the beautiful part of this whole picture is that the banking interests, with whom we have contacted, have shown extreme interest and eagerness to know more.

"You know how hard it is to interest the banker in things which do not fountain-head at Washington or at Wall Street, but certainly there never has been a time in the history of our American business when warehouse receipts are finding such a sympathetic place in the credit structure of the nation. They are fast becoming one of the most popular types of loans, and bankers everywhere are talking about them, themselves, in their own meetings and are therefore eager for all information which they can obtain on this subject."

But, read also the final paragraph of his letter. Even Chairman Gibson picked a few laggards! For, before dictating that pet phrase of his ("Kindest personal regards"), and, forgetting for the first time in my acquaintance with him to razz me about *not* coming to California more than alternate winters, he confesses:

"If you write my committee up as a working committee, you won't be exaggerating a bit and you needn't worry on that score. We have got two or three fellows who don't answer their letters, like everybody else, but this committee is composed of thirty-seven

members and over thirty of them are active—which I think is probably a world's record for trade association committee work."

And that is a world's record, or nearly it. Any reader who has ever headed a large committee will appreciate what a good organization Chairman Gibson has built up. It is, indeed, a *working* committee!

From material which has come to me, mostly from sources other than the chairman, I have made up a rough schedule of what have been the activities of this committee since its appointment last summer. It is quite possible that the outline I am about to give contains some error. I have not submitted it to the committee to be checked, nor to the association. It has been made for my own amusement, interesting and illuminating as showing what can be done to keep a committee on its toes.

As my information goes, this committee's calendar has been something of this sort:

August
September
and
October

Committee chosen and notified.

Members received reprints of an article in the *American Acceptance Bulletin* which outlined the proposed work of the committee to cooperate with banks. This reprint was a clever way to tell each committeeman what was expected of him. The banks were told first. He was also instructed to go out on the streets of his city and hand copies to the bankers!

November

Committee notified that a letter had gone to the State superintendent of banks of each State, urging him to direct bank examiners to check banks more carefully on any loan with a warehouse receipt attached to it. "If the bank examiners become critical of warehouse receipts not properly issued or issued by irresponsible people, it certainly will make the banks sit up and take notice themselves, because no bank likes to have the examiner find fault with the collateral it has accepted."

Each committeeman was then told, in the final paragraph, before that familiar "kindest personal regards," this: "The superintendent of banks in your State is _____ at _____ and it would be of great value to the work of our committee if you could arrange to meet him and discuss this matter with him. These letters will have been received by now and I should be very pleased to hear from you as to the personal reaction of the gentlemen you may have the opportunity of contacting."

December

Another letter to each superintendent of banks, accompanied with a copy of the pamphlet "Subsidiary Warehouse Receipts." All committeemen notified of this and told to hop to it by follow-ups—letters and personal calls.

January

The same pamphlet was sent to committeemen, who were advised how to obtain additional copies. This month the

committee men seem to have had an easier time, but not Executive Secretary Wilson V. Little. At the behest of the committee, he mailed out personal letters to every governor and every managing director of the Federal Reserve system, together with copies of the Association's "Directory of Merchandise Warehouses" and "Increasing Your Sales Through the Use of A.W.A. Public Merchandise Warehouses."

February

Committeemen received a legal brief about the Federal Warehouse Act and the Uniform Receipts Act.

The legislatures of Oregon, Idaho and Montana appointed a joint conference to draft uniform warehouse receipt laws for the three States. Acting for the A.W.A., attorneys prepared a digest of what is needed, called a "Memorandum." This "Memo" was duplicated for circulation among the committeemen, with the hint:

"By furnishing these joint committees with full information of this kind, we will largely safeguard any half-brain bonding requirement which might be rushed through without proper consideration, and will certainly eliminate the possibilities of subsidiary warehousing in those States.

"This information can be used profitably by each one of you in case of any contemplated legislation in your various States on this subject as well as being very useful to give to any banker who, without any previous study, says to you, as I have often found in my travels, 'Are you licensed by the U. S. Warehouse Act?'"

March

Committeemen received the pamphlet "The New Relation of the Warehouse Business to Banking," which is described as "a new and valuable weapon in our fight for full recognition of the value of the A.W.A. warehouse receipt in the credit structure of the nation." The accompanying letter says to the committeemen:

"Show This to Your Own Banker and Make Him Read It, But Also Be Sure and Read It Yourself First."

Reaction in Boston

FROM the A.W.A. *Bulletin* we reprint the come-back from one of the thirteen district chairmen, R. M. Tyler, Boston. His reply refers to the March item just described. The Boston committee is apparently getting results from acquainting bankers with warehouse routine, with reference to loans made against receipts. Mr. Tyler says:

"I have been interviewing various bankers as my time has allowed and find that the general advertising of our committee has been noticed and read with much interest by all of them. Furthermore, they are all in a particularly receptive mood at this time, and are very willing to listen to all ideas which will show them ways to reduce their losses or responsibility.

"At the monthly meeting of the Massachusetts Warehousemen's Association yesterday, we had as guests execu-

tive representatives from three of Boston's leading banks. The meeting resolved into an informal discussion on warehouse receipts received by banks as collateral. We had a most interesting meeting, but the outstanding feature of the meeting was that the Credit Association of the Boston banks and the warehousemen are to arrange a meeting together for the purpose of setting up a complete understanding between the two groups as to the detailed handling of warehouse receipts, the faults found and their remedies, and a general discussion which will help to bring about a better understanding of each of our problems.

"Such a meeting will give a splendid opportunity not only to present in detail the work of our committee, but to secure some kind of concrete action between the two groups. Several Boston members of the A.W.A. are also interested in this matter and are ready to attend this meeting. I am sure that we all look forward to this meeting.

"We shall probably take up at this meeting ways and means of the proper handling of our receipts by the banks, how orders must be handled, and periodical check-ups by the banks on warehouses whose receipts they hold."

To End Subterfuge

THE key-note of safely loaning against warehouse receipts is for the bank to ascertain that:

1. The warehouse receipt is in proper form to secure title.
2. That the issuing warehouse has a reputation for integrity.
3. That the warehouse is financially good for a loss if one occurs.
4. That the issuing warehouse is not merely a sham organization subsidiary to the borrower; that the "warehouse" is in fact what it purports to be, namely, a third party who is a valid bailee for the goods.
5. That no lien attaches to the goods when entering storage.
6. That the warehouseman's own charges are plainly stated.
7. That, if negotiable in form, the receipt bears proper endorsements.
8. That, if non-negotiable in form, it runs in the name of the bank.

The newly constituted committee on banking relations has set out to drag into the full light of day the many make-believe "warehouses" which are nothing but subterfuges to save, for the owner of goods, the legitimate cost of warehousing those goods. The committee has adopted a platform of handling "the subject of subsidiary warehousing in a manner which contains no element of pussy-footing."

"No warehouseman," recently wrote the national chairman to his committeemen, "is an independent, disinterested custodian if he has a financial interest at stake in the market value of the merchandise he is storing. When subsidiary warehousing in this country is fully knocked in the head, as it will be by the education of bankers and bank examiners and Federal Reserve governors, a

tremendous increase in the business done by the recognized industry will ensue."

Third Parties

FOR safe loans the goods ought to be stored with third parties who have no costly, arises, however, when warehousing is conducted today, this is a simple matter and there is a vast total of warehouse receipts now in force and used as the basis of bank loans or acceptance credits that are rightfully recognized as excellent security.

A difficulty, that may be serious and costly, arises, however, when warehouse receipts that are offered as collateral are not what they are represented to be. That is, while they have all the appearances of being *bona fide* warehouse receipts of a warehouseman entirely independent of the borrower, they are actually the almost worthless paper issued by a subsidiary company of the storer-borrower.

In its broadest sense, subsidiary warehousing is of two types. First, where the borrower organizes a separate dummy corporation under borrower's control to do warehousing; and second, where the borrower is his own warehouseman.

In the first instance the borrower goes through the gesture of creating independent custodianship of the goods. The capital and the management may even be provided by the borrower and the whole thing becomes a subterfuge and a sham. Where the borrower is his own "warehouseman" there is at least the open evidence of facts that should not deceive a half way careful banker. It is the weaker expedient but certainly more easily detected.

Nevertheless, whichever road is taken we have the unsound and dangerous situation of a storer receiving with the one hand money or credit as a borrower while with the other hand he issues a pretended *bona fide* receipt of a public warehouseman.

A Lincoln Packing Box Becomes an Ambulance for Calves

IT would not startle the universe to learn the varied utilitarian uses to which boxes are put which have been constructed in storage packing rooms, but the Lincoln Warehouse Corporation, New York, is intrigued to discover that one of the wooden containers built by its men is now doing service as an ambulance for calves on a Montana ranch.

Assuming that there is truth in the statement that the camera does not lie, Lincoln offers the accompanying illustration in support of its claim to uniqueness in packing-box convertibility.

About a year ago Lincoln shipped to the Lady A M Quarter Circle ranch at Wyola, Montana, some furniture, books,

The uniform warehouse Act provides explicitly that valid warehouse receipts can be issued only by a "warehouseman" as "a person or corporation, lawfully engaged in the business of storing goods for profit." There is no mistaking the meaning of the Act nor is there any chance to misinterpret the decision of the Courts in numerous cases where the receipts of a subsidiary warehouse company have been offered in support of a claim.

Invariably it has been held that there must be a separate independent entity actually engaged in storing goods of any and all storers for a charge, serving as a neutral custodian and trustee of collateral. Such a *bona fide* warehouseman issues a receipt that is valid and legal—a perfect symbol for the goods and a perfect protection to a loan. No dummy, phantom, make-believe, "warehouse" can put forth a receipt which safeguards title to goods when trouble or knavery enters the transaction, even though the document have the appearance of having been emitted by the United States Bureau of Engraving and Printing.

There is not a question, as repeatedly urged upon committeemen by the chairman, "that if you could go into the files of your own local banks and see their collateral pouches you would find warehouse receipts securing loans for many thousands of dollars being issued by the borrowers or by companies organized by the borrowers, which are nothing more than a name."

The "Perfect Instrument"

IN each of the forty-eight States, and in Canada as well, the superintendent of banks and the chief bank examiner have been given in writing the following statement:

"We all know that the use of warehouse receipts as a credit instrument has grown apace in the last ten years. Inventory has backed up to the source of production and the warehouse receipt is the most perfect instrument of credit to handle this problem that has been devised. It is the purpose of our committee to work closely with the Federal Reserve Banks and the banking interests of the country in fostering the use of the warehouse receipt as collateral and in placing every possible safeguard

around the issuance of warehouse receipts for the benefit and protection of the bankers who loan upon them.

"We believe that every industry owes it to its members to study the abuses and irregularities within itself and to correct these in a constructive manner; and we feel that close cooperation between our committee and the superintendents of banks can do much in this regard."

In many of the States the letter offering this promise has already been followed up by personal calls from the district chairman or his committeemen. Where these calls have not been made, they will be, and, continuously and persistently, the committee on banking relations purposes to educate bankers and bank examiners to make a close distinction between warehouse receipts, which are valid and which provide a real collateral for loans, and so-called "receipts," which are a sham and delusion and which only too easily become tools for rascality.

Certainly the association's committee can render the industry no greater service than to make bankers conscious of the worthlessness of this sort of paper. Warehouse receipts of this kind, as well we know, when put up as collateral for loans, have brought forth most of the warehousing scandals. And, with loans against warehouse receipts growing nearly a hundred million dollars a year, just to divert storing from dummy "warehouse companies" into recognized warehouses would mean great volumes of new business for the public storage industry.

This new business would mean, almost literally, "millions" of revenue for the established warehouses, while at the same time furnishing to the banks a better and safer collateral than they have been accepting.

And this new business, when and if obtained, will be a tribute to the industry's advertising campaign, for, we should bear in mind, the rejuvenated committee on banking relations is an offshoot of the new spirit in the A.W.A. organization.

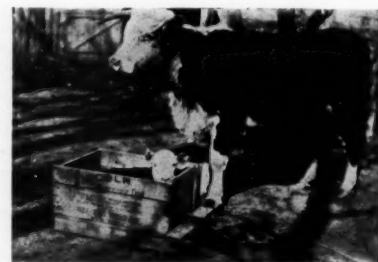
We are now, for the first time, trying to "tell the story" of warehousing to Business America.

From Mrs. Yates the New York firm recently received the snapshot, and she wrote:

"Even after books are removed from a box, the box comes in very handy. This one, as you see, was made into a small sled with which to haul the new-born calves into the ranch from the range.

"We call this the Lincoln Ambulance, and the young lady who is presented in the picture as reclining in it is a very fine registered Hereford calf.

"Even the mother looks proud, as you see, at the splendid ambulance service which is provided by your warehouse."



Factors in Change from Public to Private Warehousing

By JOHN H. FREDERICK

Assistant Professor of Commerce and Transportation, University of Pennsylvania

Primary Reasons of Manufacturers

IN a recent survey of the reasons considered by manufacturers and others in arriving at a decision whether to use public or private warehouses in maintaining spot stocks, the results of which were published in *Sales Management* for April 18, 1931, the writer discovered that the primary factors were as follows:

1. The type of product.
2. The volume of business in a sales territory.
3. The economy from the standpoint of handling and storage as well as from services offered by public warehouses.

Warehousemen will admit that there are some lines of goods requiring special handling and servicing facilities which are not particularly adapted to warehouse distribution; but in nearly all other cases the advantages

of economy in handling, storage and services are all on the side of the public warehouse.

That manufacturers seem to think the volume of business in a territory so important, however, raises an interesting question for warehousemen and seems to present a real problem for them to solve.

There appears to be a decided tendency for manufacturers to use public warehouses when entering a new market or one where the volume of business is not great enough to warrant setting up their own warehousing accommodations. Then, after a substantial volume of business has been developed, these same manufacturers are likely to leave public warehouses and go into their own.

A couple of examples will illustrate what is meant by this tendency.

The answers to question No. 1 were distributed as follows:

Have Noticed Such a Tendency	Have Not Noticed Any Such Tendency
1 in Cleveland	1 in New York
2 in Chicago	1 in Toledo, Ohio
1 in Los Angeles	3 in Chicago
1 in Bethlehem, Pa.	1 in Phoenix, Ariz.
1 in Seattle	1 in Baltimore
1 in Washington, D. C.	1 in Buffalo
1 in San Francisco.	1 in Little Rock, Ark.
2 in Detroit	1 in Newark, N. J.
1 in New Orleans	1 in Jersey City, N. J.
1 in Indianapolis	1 in New Haven, Conn.
1 in Phoenix, Ariz.	12
1 in Toledo, Ohio	
1 in Wichita, Kan.	
1 in Hartford, Conn.	
1 in Fargo, N. D.	
1 in New York	
1 in Evansville, Ind.	
1 in Omaha	
1 in Philadelphia	

21

Twenty-one warehousemen in important distributing points scattered over the country have noticed this tendency on the part of manufacturers and realize that a serious loss of volume business is resulting. Some of their answers are most enlightening. One reads:

"Yes, some of them do go into their own warehouses after they have developed their business to a certain point and feel they can serve their trade better from their own warehouse than it can be served through a public warehouse. However, this judgment is usually erroneous and is due to the fact that department heads always are egotistical enough to believe they can operate their own warehouses in the different districts more economically than the public warehouses can serve them."

Here is another answer along the same lines:

"The placing of merchandise in

A Situation and Its Remedies

THIS first of two articles by Professor Frederick tells why some manufacturers quit public for private storage.

Such change in policy admittedly existing, what may warehousing do about it? The author will attempt to answer that question in his second text, to appear next month.

Mr. Frederick will be recognized as an authority on the subject he is discussing. It was he who prepared for the national advertising campaign committee of the American Warehousemen's Association the booklet "Increasing Your Sales Through the Use of AWA Merchandise Warehouses." In various business journals he has written extensively regarding warehouse and traffic problems.

SEVERAL years ago a mid-western warehouse handled the account of the Simmons Co. (beds, springs and mattresses) in a particular territory. This manufacturer placed a stock in the warehouse and put a salesman in charge. The business grew in volume to a point where the warehouse charges were exceeding the cost of maintaining a branch warehouse. The natural result was that the company placed this stock in a building of its own. This condition was brought about by the quick turn-over of the stock and such a volume of business that Simmons has since been operating its own warehouse in this particular city.

Another type of business where the story is the same is the automobile tire trade. At one time it was the common thing for many public warehouses to have tire accounts. The business grew so rapidly, however, and the turn-over was so great, that the tire companies realized they could operate their branch houses for less money than they could handle their goods through public warehouses.

Two questions naturally arise at this point.

Do warehousemen realize the extent of this tendency?

What can individual warehousemen or the industry as a whole do about it?

In order to arrive at an answer to these questions, warehousemen in all parts of the country—usually two in each important distributing center—were asked the following:

1. Have you noticed any tendency for manufacturers to use public warehouses when they first enter a new market, but

later, when a substantial volume of business has been developed, to establish their own warehouse and distributing organization?

2. If so, what can the public warehouseman do to prevent this loss of business?

public storage is handled either by the sales or traffic departments of manufacturers who are anxious to have under the control of their department as large an organization as possible. Therefore, by specially prepared figures of their own making, they are able to satisfy their executives that a privately-owned warehouse is the proper method of operation. The executives take the word of the managers of these departments and immediately private warehouses are established, to be oftentimes later discarded when the actual cost of operation is discovered.

"In most cases, however, the manufacturer has entered into a long term lease or has purchased his own warehouse outright, and this, of course, makes it necessary for him to maintain the distribution system which he has set up, at least until the expiration of his lease or until such time as he disposes of the property. Moreover, it is seldom that a warehouseman knows of the proposed change in advance of the removal actually taking place or before the manufacturer has closed his deal for the private warehouse. There is, therefore, but little opportunity to go to the executives concerned and explain the excess costs which are bound to accrue in a privately operated warehouse."

In connection with the two statements just quoted, it is interesting to note that the recent survey of industrial traffic management conducted by the United States Department of Commerce reveals the following as to the responsibility for locating and making contracts with public warehouses for those concerns which sent in answers:

Complete power vested in the traffic manager—30 per cent of those replying.

Traffic manager acting in an advisory capacity only—25 per cent of those replying.

Power vested in the sales department—18 per cent of those replying.

Power vested in the executive department—18 per cent of those replying.

Power vested in a separate warehouse department—5 per cent of those replying.

Power vested in the production department—3 per cent of those replying.

Power vested in either legal, purchasing, office or shipping department—1 per cent of those replying.

Another reply illustrates one cause for leaving public warehouses:

"In some lines of business there has been a tendency for manufacturers to change from warehouse to a private branch. This is particularly true where the items are quite complicated and where technical knowledge is necessary for their distribution, but in the majority of cases the manufacturers left the public warehouses because there are buildings available since the war and prohibition which have been offered all over the country at ridiculously low rentals. It is my opinion that if these very low rentals on old breweries and abandoned factories, etc., were not offered, the manufacturer would not leave the public warehouse; he would merely change the method of doing business from a package to a leased-space basis.

"The public warehousemen cannot extend his services, because he is already doing everything that any business wants him to do, and I believe that the only reason a public warehouse loses customers to a private branch is because it cannot afford to rent space for what the manufacturer can get it elsewhere.

"In time these old buildings will be filled up and then the public warehouseman can compete on a fairer basis, but if he needs 50c. per square foot and the manufacturer can get a fairly nice building for 25c., it is a pretty hard handicap to overcome."

This warehouseman mentions still another cause for this loss of volume business:

"Yes, we do notice that where the distribution of the manufacturers increases to a high volume they are inclined to establish their private warehouses and means of distribution. This change is usually not so much one of permanent economy as it is to satisfy a natural desire and tendency to seek private methods of handling their goods as far down the line to the consumer as possible. This is sometimes due to a change in the nature of the manufacturer's business or to a dissatisfaction with warehouse services."

These quotations illustrate the principal reasons why manufacturers abandon public warehouses in favor of private storage and distribution facilities, and they may be summarized as follows:

1. To satisfy desires of department heads to make their departments as big and as important as possible.

2. To satisfy the manufacturer's desire to handle his own distribution for the advertising value or because he "just thinks" it is the best way to do.

3. Due to the complicated nature of a particular product which experience has shown to be unsuited to public warehouse distribution.

4. Because of the availability of cheap storage space elsewhere.

5. Because of general dissatisfaction on the part of the manufacturer with the type or quality of service rendered by the public warehouses.

6. Due to a change in the nature of the manufacturer's business.

7. Because of a decided increase in the volume of the manufacturer's business so that a particular warehouse cannot afford to give up such a large proportion of its floor space to be occupied by one customer; or where the volume is so great that it appears to the manufacturer that he can maintain his own facilities on what he has been paying public warehouses.

Having presented the darkest side of the picture, it is only fair to the twelve prominent warehousemen who failed to notice this tendency to leave public warehouses after developing volume business or for some other reason, to quote some of their replies, as several of them are most interesting. Here is one that should make less fortunate warehousemen green with envy:

"We have never experienced a manufacturer that used public

warehouses establishing his own warehouse after he had developed a volume of business. We feel that public warehousemen who have the proper kind of a location and plant have only to render the proper service to prevent manufacturers from even thinking of opening their own storage facilities."

Another fortunate warehouseman said:

"Instead of finding that in opening up new territory manufacturers at first use public warehouses and when the volume of business has become considerable to establish warehouses of their own, our experience has been just the contrary. We feel that manufacturers have only begun to learn of the service that can be rendered by reliable warehousemen. It frequently has happened in this locality that manufacturers have begun by opening their own warehouses and eventually have given them up and made use of a public warehouse."

Several other replies serve further to illustrate the brighter side of the situation:

"Concerns who develop their own warehousing facilities are generally those handling an exceptionally large amount of business. As a matter of actual fact, there are a large number of concerns today who own their own buildings in various localities who are seriously considering the sale of such properties and the return to public warehouses."

"More and more new prospects start out with warehouses from the beginning, although very many are of the belief that it is necessary to carry their own plant, labor and clerical force. Many who do not start with warehouses will convert their operations at a later date to merchandise warehousemen. Few change from merchandise warehousemen to their own plants, and only when the warehousing operation is an enormous one."

"It is not always true that manufacturers turn to their own warehouses after their business has increased to such proportions as will allow a saving in this expense. The reason for remaining with the established merchandise warehouse is the fact that the warehouse service has been so established, the contacts made with this service both by the seller and the buyer, and the routine in handling business so established that the manufacturers do not care to disrupt the system even though it costs a fair amount in excess of what they might handle their own business for."

In connection with the last statement it is interesting to note that privately-owned warehouses have not been popular in a number of trades for the reason that customers prefer to call at a public warehouse where it is possible for them to secure their requirements from the storage accounts of many manufacturers at one time, rather than to call at various private warehouses. The present activity of the Associated Grocery Manufacturers' Association in getting their members to locate as many of their accounts as possible in one warehouse in each

(Concluded on page 57)

Package Delivery Service Denver Firm's Side Line

By WILFRID REDMOND

Pick-Up Truck Resembles
a Railway Mail Car

A TRUCK, the size of a room and with barred windows and attended by four uniformed men, cruising up and down the streets of Denver on a continuous round of the shopping district, attracted crowds of the curious wherever it stopped. Its appearance marked the inauguration of a new and novel package delivery service originated by the Swift Moving & Storage Co., Inc.

L. A. Mayer, president of the Colorado company, spent two years developing his plan before he placed it in operation. It is borrowed from the railway mail service. He conceived the idea of a pick-up and delivery system featuring a truck in which packages would be sorted and routed as the car was driven through the streets, ready for transfer to a fleet of Swift delivery cars at a central downtown station.

The pick-up truck is a conveyance 17 ft. long and 7

ft. wide and is equipped like a railway postal car with sacks and clerks for routing packages. The truck makes a continuous round of the downtown stores between the hours of 9 a. m. and 6 p. m., picking up articles for delivery almost as soon as they are sold. Five times a day the "package-pick-up-truck," as it is known, meets the delivery fleet at the Swift company's downtown garage where the packages, already routed, are transferred. The transfers are made at intervals of one hour and a half throughout the day so that the merchants who subscribe to the service are assured delivery of all articles within two hours of purchase.

Speed of delivery, the inducement on which subscribers to the service are sold, is tied up in the advertising with the Swift name, the slogan of the system being, as announced on the sides of the pick-up truck: "Swift Is The Name—Our Service The Same."

"WE have averaged a 200 per cent increase monthly since we started operating," says Mr. Mayer. "The idea readily appealed to the small merchants because of the guarantee of absolute certainty of delivery with a minimum of delay. We give a personal service in delivery which the small stores recognized as an opportunity to gain an advantage over the big stores having their own delivery service."

"One of our emphasized policies is to have the route men announce, as a package is delivered at the door, 'A parcel from the — store.' We never leave a package behind a screen door or without ascertaining whether someone is at home. To insure consistency in this policy we require our delivery men to get a signed receipt for every package they deliver."

"One other feature which we accent in selling a merchant is that we hire no

irresponsible boys or transients on our trucks. Having a background of thirteen years in the moving and storage business, our service has inspired confidence in our customers in the matter of handling merchandise without damage or breakage. We have trained our package delivery service employees after the same methods we have found efficient in handling the bulkier merchandise of our transfer and storage business. Because of the care and time which we gave to planning the service before launching it we had every confidence in its permanency and allowed no experimental features to enter into it."

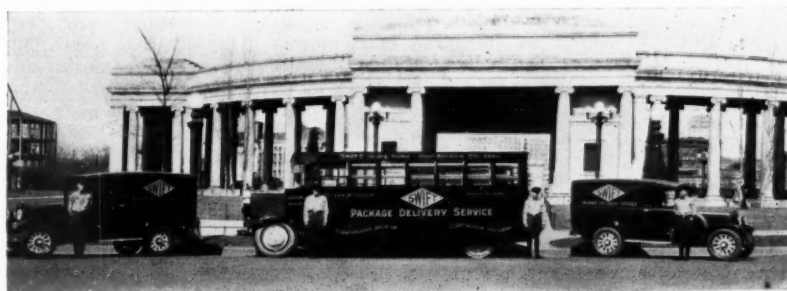
Every employee is uniformed and bonded and is trained on points of courtesy. They are required to be neatly shaved and are forbidden to smoke while on duty. All deliveries are made on the same day. C. O. D.'s are collected and the money turned over to the merchants

the following day. All money and all packages are insured. Any packages held overnight for suburban delivery are kept in fireproof vaults.

In addition to the speed of delivery which the sorting en route provides, this phase of the service enables the company also to handle a greater volume of merchandise in a day, with a resultant advantage to the customer in reduced rates on delivery.

"Many fine stores," says Mr. Mayer, "with a high standing for quality of merchandise and efficiency and courtesy on the part of their employees, were weak on delivery methods—many of them relying on delivery boys with bicycles. We persuaded them to use our system to bring their delivery service up to a par with their store service, for the better impression it would make on their clientele."

(Concluded on page 57)



Three of the Swift company's package delivery trucks



In an Alaska plant of the Alaska Pacific Salmon Corporation, Seattle. Left, double curler clincher and double seamer vacuum machine in operation, placing cans in trays ready for the retort. Right, cans ready for retorting process

Pacific Coast Canned Goods Production-Distribution

No. 4

Oregon, Washington
and Alaska

By DON F. HARNER

Secretary

Stewart Curtis Packers, Inc.

THE tremendous natural resources of the Pacific Northwest are reflected in the highly diversified and ever-increasing annual production. Prediction that the next great boom in the United States will develop there is well grounded in these underlying factors:

1. Fertile soil.
2. Ample rainfall.
3. Mild climate.
4. Virgin forests.
5. Numerous mountain streams for production of electricity.
6. World ports.
7. Proximity to one of the world's finest fishing grounds.

THE warehouseman specializing in merchandise distribution can well afford to study the packers' problems and cooperate to the limit of his ability if he would look to a continued increase in the production of all canned foods. If he does not do this, factors will enter which will incline toward diverting present progressive tendencies and advantages of storage by the packers at points of consumption.

Already forces are at work in that direction, brought about more from the standpoint of brokerage sales organizations than by actions of packer, warehouseman or consumer.

Due to the fact that the salmon packing industry is broken up into many small units, its marketing has been accomplished largely by brokers located both in the Pacific Northwest and over the United States.

Few salmon packers have sales or-

ganizations of their own, but depend entirely on these brokerage organizations to sell their output.

In more recent years the larger packing interests, appreciating the advantages of carrying stocks at logical distribution centers over the United States, have in this manner been meeting the changed economic conditions, including hand-to-mouth buying.

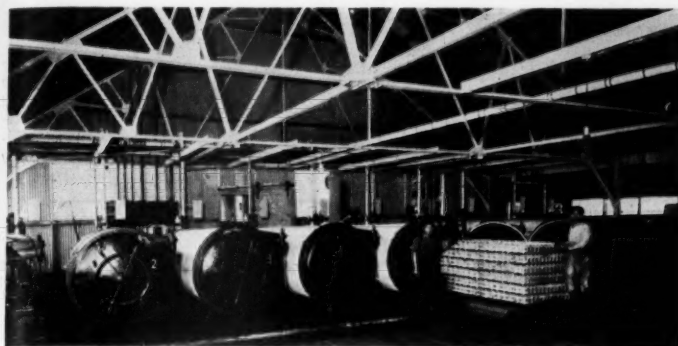
This meant a considerable change in the sales plan, and in some instances the broker has not entered at all, because large buyers, who knew that warehouse stocks were available near at hand, ordered direct from the packers or called at the warehouses as goods were needed.

Then, following logically, the most recent development on the part of the brokerage firms is that they are recommending to packers the discontinuation of warehouse stocks, the brokers contending that such carrying of warehouse

THIS is the fourth of a series of five articles by Mr. Harner, who is *Distribution and Warehousing's* Pacific Coast business representative.

The first, in the April issue, dealt with economic factors governing the canned goods and grocery trade in America. The second, in May, discussed Southern California's production of fruits, vegetables and fish; and the third in June, Central and Northern California's production. The fourth, herewith, touched on that production in the Pacific Northwest.

The subject of next month's article will be pineapple production in Hawaii.



Left, retorts in operation—cooking salmon in cans for ninety minutes at 240 degrees F. Right, the final operations—labelling, casing and making ready for shipment

Pacific Northwest Canned Goods Production—1930

(Figures in Table are Numbers of Cases)

Fruits and Berries	Oregon	Washington	Total
Apples	335,633	966,799	1,302,432
Blackberries	336,311	232,088	568,399
Black raspberries	40,714	11,696	52,410
Cherries	396,210	276,599	672,809
Gooseberries	37,670	27,464	65,134
Huckleberries	0	26,261	26,261
Loganberries	191,234	42,949	234,183
Plums	73,441	2,355	75,796
Pears	1,183,907	1,211,270	2,395,177
Prunes	466,814	199,590	666,404
Red raspberries	109,376	193,767	303,143
Rhubarb	14,058	19,386	33,444
Strawberries	122,436	26,360	148,796
Jams, jellies, preserves	101,489	11,653	113,142
Miscellaneous	15,605	122	15,727
Total	3,424,898	3,248,359	6,673,257
Vegetables			
Beets	120,148	62,880	182,028
Cabbage	0	2,526	2,526
Carrots	137,137	22,679	159,816
Corn	5,482	0	5,482
Onions	7,588	0	7,588
Parsnips	10,558	0	10,558
Pickles	43,420	43,282	86,702
Peas	0	218,907	218,907
Pumpkin	197,436	39,245	236,681
Spinach	0	2,920	2,920
Sauerkraut	0	54,029	54,029
String beans	225,544	197,768	423,312
Tomatoes	45,816	34,900	80,716
Turnips	1,185	0	1,185
Miscellaneous	544	1,080	1,624
Total	797,384	677,690	1,475,074
Fish and Shell Fish			
Salmon	431,738	607,197	1,038,935
Clams	7,269	50,638	57,907
Shad	0	4,366	4,366
Total	439,007	662,201	1,101,208
Grand totals	4,661,289	4,588,250	9,249,539

British Columbia, by reason of serving largely Canadian and export markets, is not included in the above table. British Columbia's canned goods pack for 1930 was 1,521,600 cases of fruits and vegetables and 2,221,819 cases of canned salmon.

stocks was not an economic way of marketing, and pointing to the warehouse expense as being unnecessary.

This development, at a time when all expenses are being curtailed to the extent possible, is having its effect!

Unless an educational program is undertaken by warehousemen to show conclusively that stocks kept in public storage produce greater economies, increase sales and give packers carrying such stocks better marketing advantages, we may see great reductions of warehouse stocks over the United States in 1931.

In order intelligently to understand modern salmon distribution problems, a

brief study of the background of the salmon industry may well be made.

This industry has grown, from a humble start in 1864 with a production of 2,000 cases in the Sacramento River district in California, to a total of 10,396,428-case production in the Pacific waters in 1931. (A "case" of salmon, as a standard computation, ordinarily means the equivalent of forty-eight 1-pound tins, weighing each 65 pounds in fibre cans or 70 pounds in wood cases.)

Foreign Competition

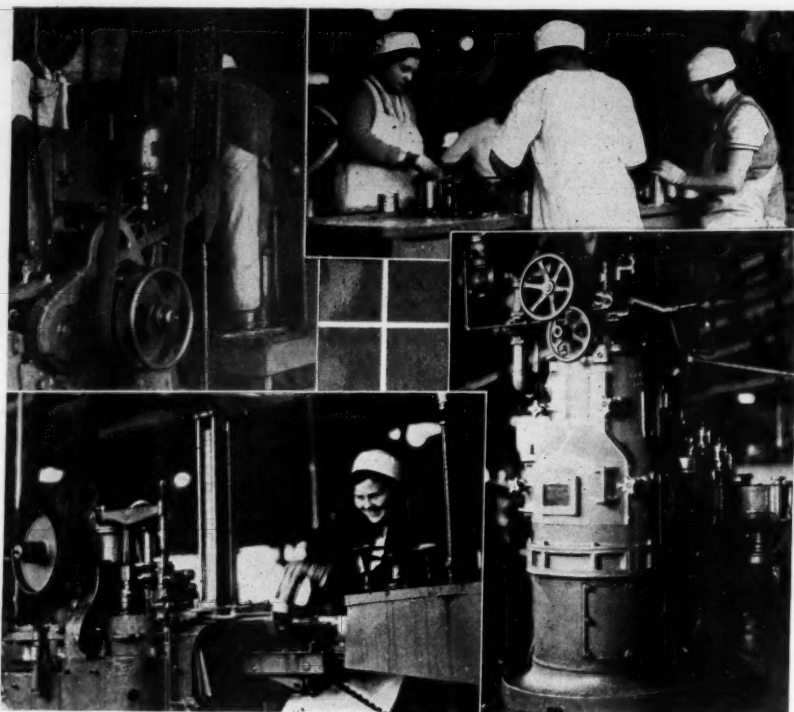
Salmon has been packed all the way from the Monterey district in central coastal California on northward through

Oregon, Washington, British Columbia, Alaska and Siberia and northern Japan. It was not until 1910 that Siberian competition developed, and Japan's came in 1913. Siberian and Japanese packers, together with those of British Columbia, have added to the troubles of the packers in the United States, including Alaska, by usurping most of the salmon export business, compelling American packers to look to the United States for their entire marketing, whereas in previous years a surplus was marketed abroad.

Six varieties of Pacific salmon are packed. Five of the "Oncorhynchus" species and the "steelhead trout" comprise the total pack. In 1930 their

Right, an automatic machine deposits correct quantity of salt as each can of salmon passes through before sealing

Right, one of the double curler clincher machines



Left, patching table where cans are checked by hand after passing through automatic can-filling machine

Left, the double steamer vacuum machine—a modern invention for removing air from can during process of seaming

Pictures on this and two preceding pages are by courtesy of Alaska Pacific Salmon Corporation, Seattle

order of importance ranked, according to quantity packed in North American waters, as follows:

1. The pink salmon (*Oncorhynchus Gorbuscha*), representing 50 per cent of the 1930 pack. Average weight when caught is from 3 to 5 pounds.
2. The sockeye, red or blueback salmon (*Oncorhynchus Nerka*), 21 per cent of 1930 pack. Average weight, 7 pounds.
3. Keta or chum salmon (*Oncorhynchus Keta*), 12 per cent of 1930 pack. Average weight, 7 to 10 pounds.
4. Silver, coho or medium red salmon (*Oncorhynchus Kisutch*), 9 per cent of 1930 pack. Average weight, 8 pounds.
5. Chinook, king or spring salmon (*Oncorhynchus Tshawytscha*), 5 per cent of 1930 pack. Average weight, 22 pounds.
6. Steelhead trout (*Salmo Gardneri*), representing only one-fifth of 1 per cent of 1930 pack. Average weight, 8 to 15 pounds.

The habitat of the salmon is a most interesting study. Many thousands of dollars and years of effort have been expended to determine the exact movements of the salmon over a period of years, and to perpetuate their existence in spite of barriers raised by the progress of civilization.

The salmon is one of the few anadromous fishes, spending approximately half of its life in fresh water and the other half in salt water. It is a strange phenomena, to those unfamiliar with the life of the Pacific salmon, to know that, after spawning, both the male and the female die and float, tail first, down-

stream toward the sea; that the young salmon never see their parents.

Hatched in the clear cold water of mountain streams, the young salmon eventually find their way to the rivers and into the sea, there to live from two to seven years before the urge to spawn forces their return to approximately the same mountain streams where they originated. It was formerly thought the salmon returned to the exact same stream where it was hatched, but this has not been proven. The salmon are believed to live in the bays near the mouth of the rivers where they enter the sea, and do not venture far to sea. Hence, because they do not range for many hundreds of miles, as do some other fishes, the same salmon return to approximately the same district to spawn where they were hatched.

Fishermen's Problems

Great progress has been made in laws to permit escapement to spawning grounds, together with hatcheries, to perpetuate this great industry. The advance of civilization, in the pollution of streams, building of hydro-electric dams, etc., would exterminate the salmon unless protected, as has been demonstrated along the Atlantic coast, where salmon runs were recorded in early history as far south as the Hudson River.

Briefly stated, some of the major problems of the salmon industry today may be considered to be:

1. The lack of a concerted educational campaign to teach the public the food value and uses of canned salmon, which is really a healthful delicacy.

2. The fallacy of the public belief that only red sockeye salmon is genuine and first quality salmon, whereas other varieties are equal in every respect. Education by advertising could offset this age-old custom to "buy-by-eye" from point of color of the product. The public should also be told the fact that no coloring matter or artificial preservative is ever used in the packing of salmon.

3. Marketing methods of many smaller organizations, being entirely dependent on middlemen who, away from contact with the wholesale and retail trade, actually market the salmon.

4. Warehousing and distributing problems. The few large salmon packers who had their own sales organizations realized the advantage of carrying stocks of salmon at points of vantage over the country, thus securing larger share of the salmon business, placing the small packers at a disadvantage who had to ship orders from their stocks on the Pacific Coast located as far as 5,000 miles via steamship from their market.

5. Lack of standardized quality, stressed by the packers themselves, because of the large number of packers engaged in salmon packing.

6. Lack of control of production on a basis to meet actual demand without great carry-over each year. Whereas the surplus was in former years sold abroad, Japan and Siberia now control foreign markets by lower prices. The problems of "over-production" and "under-consumption" enter in here. The "dumping" of surplus in domestic market in August 1930, caused a serious break in the market of pink salmon, and

precipitated great loss from which the industry is suffering today.

7. Sales distribution problems. Protest is heard on every side as to demoralization of sales methods, unethical practices, "split-brokerage," subterfuges resorted to, during the present period of over-production, and particularly since the market break of 1930. Suggestions on the part of some large packers are for the voluntary or involuntary elimination of those responsible.

8. Consumer confidence in proper labelling of salmon is lacking because of inability to tell the kind and grade of salmon inside the can. Uniformity of description on labels should be adopted.

9. Financing under present conditions requires the packer to carry his pack over a long period, in addition to financing operations. Banks are more conservative in evaluating loans against negotiable warehouse receipts, insisting on such stocks being moved out within a reasonable time. The packer is unable to secure added price to his salmon for his service in carrying, but is forced to liquidate inventories at prevailing market prices prior to new pack.

An outstanding feature of the salmon packing industry is the elimination of hand labor and the substitution of machinery all along the line. On every side one hears such terse phrases as "unloading by electricity," "electric conveyors," "the iron chink," "automatic salter," "vacuum machines," "curler clincher," "double seamer vacuum machine," "electric labelling machine" and "sealing or boxing machines." Thus the modern canning operations are conducted by high-speed machinery, even including the filling of cans with salmon, sealing, labelling and boxing ready for shipment.

Without up-to-date equipment no canning plant could hope to compete with low cost of production in a modern machine-equipped plant.

Speed of operations is a requisite in the handling of highly perishable products. Within an hour or two after removed from fish traps, or purse seines, salmon are at the packing plant, sorted according to species, and then washed carefully and fed through a chute to the "Iron Chink"—the name given to a machine that displaced Chinamen who cleaned fish in the early days. This wonderful machine grips each fish, adjusting itself to the varying sizes; cuts off the head, tail and each of six fins, and then splits the body and removes all viscera—all at the speed of sixty fish a minute. The fish are then thoroughly washed and hand-inspected before passing through knives for cutting into suitable lengths for canning, and the cans filled by next machine in line.

One of the most recent inventions is a double seamer vacuum machine, where in the cans after filled are taken through airports to chambers from which most of the air has been pumped, and there the covers are doubly seamed on the cans. The cans then are stacked for retorting in large cylindrical cookers (or retorts), and are cooked for 90 minutes at a temperature of 240 degrees Fahrenheit.

After the retort, the cans are washed in a weak lye bath, to remove oil, and then go through a cooling tank into the warehouse and labelling room.

Milks

Due to particularly favorable conditions, the Pacific Northwest is a large producer of dairy products, including condensed milk, milk powders and casein. Considerable quantities are shipped for export, and other shipments are forwarded to various parts of the United States by steamship via Panama Canal.

It is estimated the condenseries of the State of Washington use the production of 15,000 dairy cows; and that the cows require about three acres each, thus taking the output of 45,000 acres of agricultural land in western Washington.

The State of Washington used for condensed milk alone approximately 100,000,000 pounds of milk in the year 1930—equivalent to 1,000,000 cases condensed milk. This industry is just thirty-two years old.

The State of Oregon, during 1930, used 129,421,423 pounds of milk, producing 18,472,372 pounds of condensed milk and 2,683,352 pounds of powdered milk.

Following is a list of fruits, vegetable and berry canners in Oregon and Washington:

Allen Packing Corporation, Longview, Wash.

American Packing Co., Everett, Wash.
Apple Growers Association, Hood River, Ore.

Bagley Canning Co., Ashland, Ore.
Barbey Packing Co., Astoria, Ore.
Battleground Canning Co., Battle-ground, Wash.

Bergoust Davies Co., 1837 15th Avenue, W., Seattle.

Bozeman Canning Co., Mt. Vernon, Wash.

F. W. Dunstan & Son, Clarkston, Wash.

Dickinson Company, Oswego, Ore.
Eugene Fruit Growers Association, Eugene, Ore.

Evaporated Fruits, Inc., Selah, Wash.
J. Ward Evans, Troutdale, Ore.
Everett Fruit Products Co., Everett, Wash.

Fassett & Co., Tacoma.

Cecil Ferguson, Snohomish, Wash.

Goshen Canning Co., Mossy Rock, Wash.

Grand Island Cooperative Canning Co., Dayton, Ore.

Gresham Berry Growers, Inc., Gresham, Ore.

Hamer Pickle Co., 1204 W. Boone Avenue, Spokane.

Hood River Canning Co., foot of Fessenden Street, Portland.

Hunt Brothers Packing Co., Salem, Ore.

Inland Products Co., Spokane.

C. S. Kale Canning Co., Everson, Wash.

Kiddy Kanned Foods, Inc., Seattle.

Kirkland Packing Co., Kirkland, Wash.

Kerr Conserving Co., 353 E. 10th Street, Portland.

Knight Packing Co., E. 9th and Alder Streets, Portland.

Libby, McNeill & Libby, 700 E. 22nd Street, Portland.

Lien Bros., Stanwood, Wash.
Meadowbrook Canning Co., Snoqualmie, Wash.

C. D. Minton, Inc., Forest Grove, Ore.
Mt. Angel Producers Packing Co., Mt. Angel, Ore.

National Fruit Canning Co., 1720 W. Spokane Street, Seattle.

Northwest Canning Co., Salem, Ore.

Olympia Canning Co., Olympia, Wash.

Oregon Packing Co., 120 E. 6th Street, Portland.

Oregon Canning Co., Newberg, Ore.

Oroville Canning Co., Oroville, Wash.

Pacific Conserving Co., Gresham, Ore.

Paulus Bros. Packing Co., Salem, Ore.

Pride & Co., Bellingham, Wash.

Producers Cooperative Packing Co., Salem, Ore.

Puyallup & Sumner Fruit Growers Assn., Puyallup, Wash.

Ray Brown Co., Woodburn, Ore.

Ray Maling Co., Hillsboro, Ore.

Rogue River Valley Canning Co., Medford, Ore.

San Juan Islands Cannery, Friday Harbor, Wash.

Seufert Bros. Co., The Dalles, Ore.

Silverton Food Products Co., Silverton, Ore.

Simpson Canning Co., Carnation, Wash.

Springbrook Packing Co., Springbrook, Ore.

Starr Fruit Products Co., 321 E. Yamhill Street, Portland.

Stayton Canning Co., Stayton, Ore.

Steele Canning Co., Corvallis, Ore.

Sunnybrook Canning Co., Snohomish, Wash.

Sunset Packing Co., South Bend, Wash.

John B. Sutherland, Wenatchee, Wash.

Valley Fruit Canning Co., Carnation, Wash.

Valley Fruit Canning Co., Puyallup, Wash.

Venersborg Canning Co., Brush Prairie, Wash.

Washington Berry Growers Packing Corp., Sumner, Wash.

Washington Cannery Cooperative, Vancouver, Wash.

Washington State Cannery, Colman Building, Seattle.

Wenatchee Canning Co., Wenatchee, Wash.

Western Oregon Packing Corp., Corvallis, Ore.

Wells Packing Corp., McMinnville, Ore.

Wilson Pickle Co., Spokane.

Younglove & Co., 2147 E. D Street, Tacoma.

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Following is a list of salmon packers in California, Oregon, Washington and Alaska:

Arthur Anderson Fish Co., Astoria, Ore.

Barbey Packing Co., Astoria.

Booth Fisheries Co., Astoria.

Burke Packing Co., Astoria.

Columbia River Fishermen's Cooperative Packers, Warrenton, Ore.

Columbia River Packers Association, Astoria, Ore.

P. J. McGowan & Sons, Warrendale, Ore.

Point Adams Packing Co., Hammond, Ore.

Seufert Bros. Co., The Dalles, Ore.

B. F. Stone, Astoria, Ore.

Union Fishermen's Cooperative Packing Co., Astoria.

Warren Packing Co., Warrendale, Ore.

MacLeay Estate Packing Co., Wedderburn, Ore.

Altoona Packing Co., Altoona, Wash.

Brookfield Fisheries, Inc., Brookfield, Wash.

Chinook Packing Co., Chinook, Wash.

New England Fish Co., Pier No. 9, Seattle.

Pioneer Packing Co., Aberdeen and Ilwaco, Wash.

American Packing Co., Everett, Wash.

Astoria & Puget Sound Canning Co., Bellingham, Wash.

Bellingham Canning Co., Bellingham, Wash.

Dressel-Collins Fish Co., Pier No. 12, Seattle.

Farwest Fisheries, Inc., Anacortes, Wash.

Fishermen's Packing Corporation, Everett, Wash.

Friday Harbor Canning Co., Friday Harbor, Wash.

The Kip Company, 2408 Elliott Avenue, Seattle.

Pacific American Fisheries Co., Bellingham, Wash.

Quality Sea Food Packing Co., 3100 Railroad Avenue, Seattle.

Washington Fish & Oyster Co., Pier No. 4, Seattle.

Brown Canning Co., Queets, Wash.

Guilford Packing Co., Westport, Wash.

Hall & Olson, South Bend, Wash.

Mohawk Packing Co., Moclips, Wash.

Pacific Sea Foods Co., Hoquim, Wash.

Rogers Fish Packing Co., Taholah, Wash.

Strand Fisheries Co., Aberdeen, Wash.

Sunset Packing Co., South Bend, Wash.

Washington Packing Co., Aberdeen, Wash.

ROGER W. BABSON, economist, told the Newspaper Advertising Executives Association on June 16:

"Irrespective of what happens to the stock market in the next year I am willing to stake my reputation, based on thirty years' experience, (1) that business has seen its worst; (2) that within a reasonable time this country will again enter a period of marked prosperity.

"In short, statistics today point to another period of prosperity, the same as they three years ago pointed to the present period of depression."

Wiegardt Bros. Co., Ocean Park, Wash.

Alaska Pacific Fisheries Co., Mutual Life Building, Seattle.

Alaska Pacific Salmon Corp., Skinner Bldg., Seattle.

Fidalgo Island Packing Co., Central Building, Seattle.

P. E. Harris & Co., Dexter-Horton Building, Seattle.

Northwestern Fisheries Co., Marion Building, Seattle.

Sebastian-Stuart Fish Co., Spokane Street, Seattle.

San Juan Fishing & Packing Co., Stacy Street, Seattle.

International Packing Co., Colman Building, Seattle.

Shepard Point Packing Co., Colman Building, Seattle.

Red Salmon Canning Co., No. 2 Pine Street, San Francisco.

Alaska Salmon Co., 141 Clay Street, San Francisco.

California Packing Corp., 101 California Street, San Francisco.

The Stuart Corp., Stuart Building, Seattle.

Copper River Packing Co., 530 Colman Building, Seattle.

Whitworth Fisheries, Pioneer Building, Seattle.

Hidden Inlet Canning Co., Smith Tower, Seattle.

Western Fisheries Co., Anacortes, Wash.

Pioneer Sea Foods Co., 468 Colman Building, Seattle.

Begge Fisheries, Neah Bay, Wash.

Bayview Packing Co., Klawack, Alaska.

Beegle Packing Co., Ketchikan, Alaska.

Demmert Packing Co., Klawack, Alaska.

Diamond K Packing Co., Wrangell, Alaska.

Douglass Island Packing Co., Pioneer Building, Seattle.

Hetta Packing Co., Copper Mountains, Alaska.

Hood Bay Packing Co., Colman Building, Seattle.

Independent Salmon Canneries, Inc., Ketchikan, Alaska.

Libby, McNeill & Libby, main office in Chicago.

Nakat Packing Corp., Dexter-Horton Building, Seattle.

Peril Straits Packing Co., P. O. Box 3086, Seattle.

Pyramid Packing Co., Sitka, Alaska.

Ward's Cove Packing Co., Ward's Cove, Ketchikan, Alaska.

Cordova Packing Co., c/o McGovern & McGovern, Colman Building, Seattle.

Glacier Packing Co., Cordova, Alaska.

Kadiak Fisheries, Lowman Building, Seattle.

Northern Life Packing Co., Cordova, Alaska.

Premier Salmon Co., Dexter-Horton Building, Seattle.

Snug Harbor Packing Co., Smith Tower, Seattle.

Uganik Fisheries, Inc., Mutual Life Building, Seattle.

Bristol Bay Packing Co., 141 Clay Street, San Francisco.

Following is a list of milk condenseries in Oregon and Washington:

The Carnation Co., Stuart Building, Seattle.

The Borden Co., Chehalis, Wash.

The Cooperative Milk Cond. Association, Snohomish, Wash.

Marion Creamery, Salem, Ore.

Nestles Food Co., McMinnville, Ore.

Riverview Dairy Co., Portland.

Western Dairy Products Co., Portland.

Charge for Shipping Service Is Urged in A. W. A. "Bulletin"

THE more widespread policy of the railroads in calling at shippers' platforms to pick up less than carload shipments routed over their lines instead of making the shippers deliver such shipments to the carriers' freight stations has prompted the *Bulletin*, the official organ of the merchandise division of the American Warehousemen's Association, to call the association's members attention to the fact that this policy tends to result in loss of cartage revenue.

In many instances, the *Bulletin* points out, the cartage revenue has been not only for draying the shipments to freight

stations but included also the preparation of shipments—marking the packages for shipment, executing the bill of lading, and sending it to the customer for whose account the shipment was being made. Today when the railroad agent calls for the less than carload shipment at the warehouse platform the same marking and billing procedure has to be done by the warehouseman—a procedure which "costs real money." The *Bulletin* accordingly propounds the queries: Shall the warehouseman mark a charge for the marking and billing; and, if he does, can he collect it?

"Handling the storage rates as usually quoted do not comprehend preparation for shipment," the *Bulletin* continues. "Except in places where there is a charge for car-unloading, the quoted handling rates cover the receipt and unloading of the car on the warehouse siding, or the receipt of the goods from drays or trucks at the receiving platform; placing of the goods in store; and delivery of them again to the delivery platform or shipping room. In most cases, the handling rates include the office and clerical over-

(Concluded on page 62)

Diversity of Opinion on Motor Truck Regulation

By STEPHENS RIPPEY

Briefs Are Filed in
I. C. C. Inquiry

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

MODIFICATION of existing "restrictive" laws which interfere with "essentially managerial functions" of the railroads would be a more logical solution of the rail-motor transport problem than any attempt to enact additional laws designed to curb the newer form of transportation by placing it under regulation, in the opinion of H. T. Newcomb and Thomas L. Ennis, attorneys for the Delaware & Hudson Railroad Corporation, set forth in a brief filed in the Interstate Commerce Commission's investigation into coordination of motor transport (Docket 23,400).

"Regulation of motor transportation on the highways by Federal and State commissions offers no solution to the problem of the railroads to maintain and preserve an adequate and efficient railroad transportation system to perform the services which it can most economically and efficiently perform in the public interest," these attorneys said.

"Existing regulatory laws should be modified to allow railroad managements the authority and freedom of action necessary to solve the economic problem of adjusting the railroad transportation system to existing and changing conditions rather than to provide for further surrender of responsibility to Government as represented by any regulatory board or otherwise."

Instead of attempting to fight the competition offered

by the motor vehicle, the Delaware & Hudson believes railroads should "promote demarcation of the sphere of motor vehicles and promptly adjust their operations accordingly." At present railroads are so restricted by laws, both State and Federal, that they may not withdraw service which has been superseded by motor vehicles without going through lengthy legal processes, the brief said.

The Delaware & Hudson brief was one of twenty-one filed with the Commission discussing motor transportation problems and urging one method or another as solutions. It was the only railroad brief which frankly took the part of motor vehicles and declared railroads should withdraw service made unprofitable by motor competition.

The bulk of the railroad briefs admitted motor transportation was a necessity and had come to stay, but all, except the Delaware & Hudson's, pleaded for strict regulation of the motor vehicle as the only means of saving the railroads.

It is probable the Commission will assign the proceeding for oral argument some time during the summer or early fall and will have its report, or at least a tentative report, ready when Congress again meets in December. Newspaper stories from Washington to the effect that the Commission had "completed its study" of the motor vehicle transportation problem were erroneous.

THE motor will always be an important competitor of railroad transportation, Attorneys Newcomb and Ennis said in their brief, but the problem presented by this new competitor was one for management. The Delaware and Hudson, however, would restrict common carriers or commercial motor vehicles of "excessive weight, length or breadth." Operation of such carriers was an infringement of the public right—a right which would continue to be denied "unless fixed and reasonable limits are prescribed by law," the brief said.

This carrier advocated licensing by State or municipal authority of all common carriers or commercial motor vehicles and a refusal of licenses to vehicles so heavy or large they cannot be operated without impairing the rights of the public to the use of public highways.

"Regulation, however far-reaching or drastic, cannot bring back the railroad traffic that has been lost to automotive vehicles when that traffic can be more economically and efficiently handled in

motor transportation," the brief continued.

"That the railroads have invested heavily in facilities designed to handle the traffic lost to motor transportation and stand to lose, however seriously, un-

TWENTY-ONE briefs have been filed with the Interstate Commerce Commission in the latter's investigation into coordination of motor transport. In the accompanying article Mr. Rippey presents the highlights of opinion and argument.

The Commission's study has not by any means been completed, newspaper stories to that effect notwithstanding. The inquiry proceeds, and a tentative report, perhaps a final one, will be filed after Congress convenes in December.

less it is regained, will not bring this traffic back to the railroads. Existing transportation systems, no matter how long established, possess no vested right in their fields as against public interest to promote competition and no privilege of exemption from the competition of newer or more efficient transportation methods, if such there be. More efficient, economical and convenient methods must ultimately prevail and railroads must, in their own and the public interest, recognize this fundamental principle and adjust themselves to economic facts.

"Solution of the present problem is most likely to be found in the initiative of railroad management and not by surrendering responsibility to Legislatures or to regulatory boards.

"The public would be better served if railroad managements could facilitate the elimination of unnecessary facilities and service which are a burden to the adequate maintenance of necessary facilities and service in the sphere of transportation that the railroads can best

serve the public. A modification of such laws, or of the policy of the commissions functioning thereunder, which would relieve railroad management from interference with essentially managerial functions, would go a long way toward solving the problem of motor transportation competition.

"The Interstate Commerce Commission should not recommend to Congress the enactment of legislation to regulate motor transportation, but should recommend the enactment of legislation to relieve railroad managements of existing regulation which interferes with the normal exercise of their managerial functions in meeting their duty to maintain an adequate railroad transportation system."

The Delaware & Hudson's policy respecting motor competition was said to be:

1. To oppose applications for certificates of convenience and necessity for the operation of motor bus lines, or motor truck lines, serving the same territory as it serves.

2. To curtail passenger train mileage in territories where revenues have been reduced by motor vehicle competition.

3. Where necessary, to enlist the co-operation of motor bus operators holding certificates of convenience and necessity and to rearrange or augment their schedules to supplant trains to be withdrawn.

4. To abandon station agencies and station facilities to conform with the decreased necessity for station service, brought about by the use of motor vehicles, in whole or in part.

5. To modify local freight train service to meet the reduced requirements.

"Delaware & Hudson has studied the question of operation of motor bus and motor trucks and has concluded that, in its territory and under the conditions in which it operates, it could not be a profitable venture," the brief said. "It has also considered instances where it might have substituted motor service for train service, but has never contemplated the substitution; the result of its study indicating that substitution would not be profitable in its territory, which has a large amount of improved highways."

A Boomerang?

The suggestion that in seeking regulation of their automotive competitors the railroads might be sponsoring a boomerang was put forth in a brief filed by the National Automobile Chamber of Commerce.

"It should not be forgotten that regulation, if effective, would operate as definitely to prevent the extension of railroad-controlled truck operations, which would or might compete with existing motor truck operations as in the converse case," the brief said.

"Indeed, a large corporation like a railroad company is a shining mark to be hit when less conspicuous competitors escape. If there is to be equality of opportunity the railroad will be given no right to preempt the field of motor truck transportation and no special privileges in that field. Indeed, the fact that the

field is, according to the railroads' statement of the matter, already very fully occupied by motor carriers who are competitors of the railroad, suggests very strongly that in a situation of national regulation it might well be the railroads and not their present competitors who would find themselves excluded.

"For these reasons it is at least doubtful whether, in advocating further truck regulation, the railroads are not creating for themselves serious difficulties in the future when the economics of the problem of the proper adjustment of the rail and highway carrier shall have, in the light of experience, become more clear."

In opposing regulation of motor trucks, the brief said, the Chamber believed it "unwise from the point of view of the shipping public, from that of the public in general, and from that of the railroads themselves."

Denies Subsidizing

The brief scouts the railroad argument that motor trucks are subsidized by public highway construction and maintenance.

"Examination of the record," it said, "will show the degree to which these assertions about 'subsidized highway competition' fade under analysis. It will show also the extent to which it was demonstrated that, when all the various tax impositions upon the highway carrier are taken into account, the commercial motor vehicle, which in 1930 contributed \$269,870,000 to the public treasury, pays very heavily indeed for what it receives."

A restricted regulation of motor carriers, bringing them under the jurisdiction of the Interstate Commerce Commission only when they handled traffic in connection with a rail or water carrier already subject to the Interstate Commerce Act, was advocated by the Merchants' Association of New York and the Shippers' Conference of Greater New York. These bodies would have motor carriers left unregulated while carrying traffic over the highways only and not in connection with a rail or water carrier subject to the Act. This would be similar to the situation in which water carriers now are when carrying port-to-port traffic.

The two groups suggested also that railroads be permitted to continue operation of truck lines through subsidiaries, but that the law be amended to prevent them from making up losses on their motor traffic from their rail earnings.

"It is also hoped the Commission will recommend to the carriers that they give serious consideration to the establishment of a complete transportation service from store door to store door, as this would undoubtedly result in many shippers giving the rail carriers their business if the terminal service is of a character to commend its use and if the time in transit between terminals is comparable with the service offered by the highways," the brief said.

"It must be obvious to the Commission that the rail carriers cannot expect to recover or to hold their short haul

traffic in the face of motor competition which is quicker and more dependable than less than carload freight service has been generally in the past unless they take the steps that any prudent manufacturer or merchant would take to meet new competition. Generally speaking, but bearing in mind the exceptions referred to, the rail carriers shut their eyes to any solution of this problem, except that resulting from stragglatory legislation."

There is no public demand for regulation of motor carriers nor would such regulation be in the public interest, according to the brief of the Interstate Motor Carriers' Association, an organization of motor common carriers operating between New York and Philadelphia and points intermediate and tributary to those cities. The association sets forth 15 findings of fact which it believes the Commission should make.

Among these are: there is now no monopoly of the highways because of the numerous motor carriers in open competition operating; regulation would force monopoly and restrict development of motor transportation; the interstate common carrier truck would be the "helpless prey" of the privately-owned truck and the contract carrier, both unregulated; that if relief is needed for rail carriers, it should be given by a plan of regulation with such changes in the law as may be necessary to give them greater individual initiative.

While asserting it had an interest in both rail and motor transportation because of the lubrication problems faced by each, the American Petroleum Institute, in effect, urged the Commission to "go slow" before recommending any regulation of motor vehicles.

"No one will dispute the obviously necessary place of the railroads in the life of the nation," the brief said, "or the public interest inherent in maintaining their financial integrity. But we think it is the result of misguided thought to urge that such integrity shall be preserved through the essentially political expedient of burdening the competitors of railroads with regulation not otherwise required in the public interest."

Holds Rails Are Aided

The Institute advanced the theory that, while the railroads undoubtedly had lost some revenue to their motor competitors, motor transportation had brought additional revenue to the railroads which offset, to a large extent, at least their losses.

"Can the railroads say that this new mode of transportation has not fully paid its way and justified its existence even from the standpoint of railroad revenues?" the brief asked. "Though they complain of losing traffic to the automobile, the passenger bus, and the motor truck, is it conceivable that they would exchange their present position, in so far as relative traffic is concerned, for their position prior to the advent of the automobile? We think not. We think the fact is that the development of the motor vehicle, in all its ramifications, has

added materially to the well-being of the carriers, both directly, as reflected by the movement of the machines themselves, materials for their manufacture, supplies, petroleum products, road building, and other materials, and, indirectly, by reason of its influence upon the business of the country as a whole.

"It is a well known fact that the automotive industry is the greatest single user of iron and steel products. It induces a tremendous movement of rubber and other materials. It is the direct influence for the very large movement of cement, crushed stone, sand and gravel, asphalt and road oil which are required in the construction and maintenance of highways. The automotive industry is without doubt one of the greatest of our industrial activities. We think it must be conceded that it contributes to the revenues of the carriers in materially greater degree than it reduces them by competition."

The Institute suggested the Commission make these findings:

1. The general public is entitled, without artificial regulatory restrictions, to the advantages which are afforded by inventive genius, scientific research, and every progressive development in transportation.

2. The public interest requires the encouragement of modern forms of transportation within their spheres of efficient and economical operation.

3. No Federal regulation of motor transportation is in the public interest which would have for its purpose the protection of the railroads from competition.

4. Motor transportation more than compensates the railroads in traffic and revenue, for such traffic as it attracts from the rails; it properly incurs no further responsibility for the revenues of the railroads.

5. Competition of motor transportation should be met by the railroads through the business method of affording comparable service, by rail or motor, or both, at comparable and reasonable rates.

6. The motor owners are paying, in special taxes, for the construction and operation of State highway and local railroad systems. The construction and maintenance of the public roads is an important source of railroad traffic. They provide no inequitable competition by reason of the source of funds through which either the roadways of motor vehicle owners or railroads are constructed and maintained.

Sharp issue with the contention that Congress had no power to regulate private or contract carriers was taken by the Association of Railway Executives. Turning to the argument that no business could be regulated unless it was "clothed with a public interest," the association said it seemed obvious that contract carriers were clothed with such public interest and were "well within the class of agencies which may be regulated."

Speaking of the regulation of privately-owned trucks, the association's brief said:

"The latter, if they cannot be regulated, can set at naught the approved principles of regulation, which require reasonable rates, prohibit rebates, favoritism and unjust discrimination, and prescribe rules as to long and short hauls; and thus create the situation where a substantial part of the country's traffic will move in interstate commerce in defiance of the settled policy of Congress.

"To deny the power of Congress to prevent this is to deny its power to prevent chaos in interstate commerce.

"The power of unregulated carriers to break down the admittedly valid regulation by Congress of interstate commerce when moved by common carriers, demonstrates the fact that such unregulated carriers when engaging in interstate commerce are 'clothed with a public interest.'"

"Equality of treatment and of commercial opportunity to all shippers in interstate commerce—equal and reasonable rates and protection against rebates, unreasonable preferences or advantages and unjust discriminations—are in the opinion of Congress the cardinal principles of fairness in trade on which the system of regulation rests.

"These would be impossible if a substantial part of interstate commerce remains unregulated and is permitted to move in defiance of the salutary principles referred to. Regulation of some of the instrumentalities of interstate commerce and requiring them to give to shippers equality of treatment and of commercial opportunity, while other instrumentalities are left free to make unreasonable rates, to give rebates and unreasonable preferences and advantages and to be guilty of unjust discriminations between shippers, would be unjust not only to the regulated carriers, but also unjust to the shippers who must use them. It would also restore the power of large shippers to obtain an advantage over their weaker competitors, by securing the distribution of their merchandise on special terms through their ability to command the services of a contract carrier which, not being a common carrier, would not be available to their competitors."

The Association of Railway Executives urged also amendment of the anti-trust laws to permit acquisition by railroads of the stock of competing bus lines.

Concluding, the association reiterated the general position of the railroads respecting motor competition:

"The public's right to the selection of the agency of transportation which it wants and which it finds most useful must be respected, and the railroads will be no party to an effort to strangle and destroy, under the guise of regulation, any new agency of transportation which the public wants and which can serve it usefully.

"All they ask is that the terms of competition shall be fair and that nothing shall be done which will impair or destroy existing agencies essential to the commerce of the people. Whatever is done must be done to improve transportation, not to impair or destroy it. No

one can properly ask that any of the problems involved shall be solved in a way to give special privilege or special protection to any private interest. The supreme test must always be the interest of the public.

"But, subject to these limitations, the railroads believe that there should be equality of opportunity between the various agencies which serve the public in transportation. If one is regulated, the other should be similarly and appropriately regulated, but regulated fairly and not with a view of destruction but simply of establishing equality of opportunity for every agency that is found valuable to the public welfare. All the railroads ask is this equality of opportunity. The public should not be content until this equality between the various agencies of distribution of the products of human misery is firmly and finally established."

Declaring that "an emergency of an extraordinary nature exists" and that it was imperative "that immediate action be taken to subject all facilities engaged in commerce to substantially the same laws" or that "some relaxation be given to the regulated carriers to meet the exigencies that confront them," J. F. Dalton, traffic manager of the Norfolk Southern Railroad, said the railroads did not want a monopoly of the transportation business.

"But, on the other hand," Mr. Dalton continued, "we do seriously object to the unregulated facilities being accorded a monopoly of freedom to operate at will, to charge what they please and to take whatever class of property they may desire, especially when the commerce absorbed by these unregulated facilities is that diverted from the regulated carriers.

"Equality of treatment and opportunity should not be denied the Norfolk Southern Railroad. The right to engage in transportation by rail, by highway, or by water, or through a coordinated medium of these various channels of commerce, should be given to the railroads to no less extent than that accorded individuals, or others engaged in the operation of unregulated facilities at the present time over routes built by and maintained at the expense of the public.

"A subsidy of this nature is wrong in principle and should be discontinued. All forms of transportation should pay their way. When equal laws have been provided to govern all forms of transportation, the survival of the fittest may reign."

6,878,500 Coins Moved

An early June removal in New Orleans was the transferral of 6,878,500 silver dollars by the Walker Storage & Van Co. from the old U. S. Mint to a storage vault in the Custom House. The coins were packed one thousand in a sack, each sack then weighing sixty pounds, and secret service operatives and local police guarded the vans.

Not a dollar was lost.

Mortgages and Conditional Contracts of Sale

Forty-second of a Series
of Legal Articles

By LEO T. PARKER

Attorney-at-Law

GENERALLY speaking, a warehouseman's lien for storage and cartage charges is superior to a lien of the holder of a mortgage, or a seller who retains legal title to the goods, providing:

1. The mortgage or sale contract was not recorded and the warehouseman had no knowledge of its existence.

2. Or the mortgagee or seller gave consent to the warehouseman to store the goods.

3. Or the owner has paid his indebtedness to the mortgagee or the seller.

The distinction between a conditional sale and a mortgage is that a sale is an absolute transfer of the title to goods, whereas a mortgage is *security* for the payment

of a debt which is owed by the owner of the merchandise.

Notwithstanding this established law, in many instances it is difficult to distinguish between a conditional sale contract and a mortgage. In fact, it is well settled that where a contract purports to be a conditional sale and, after default of the purchaser to fulfill the terms of the agreement, the relation of debtor and creditor still remains, then the contract is a chattel mortgage, even though on its face it purports to be a conditional sale.

Moreover a sale contract which actually is a mortgage is void with respect to all parties excepting the buyer and the seller.

FOR instance, in *Raymond Bros. Co. v. Thomas*, 294 Pac. 219, it was disclosed that a seller sold certain goods under a contract by the terms of which he could retake the merchandise, sell it, charge all costs and attorney's fees to the purchaser, who should be liable for any deficiency, "if the purchaser breached the contract requiring specified monthly payments." The contract, also, provided that should the purchaser fail to make prompt payments he must pay the balance due on the goods.

In holding this agreement to be a chattel mortgage, the Court said:

"The principal question is whether the contract, which purports to be one of conditional sale, was, by reason of its provisions, in fact a chattel mortgage. . . . A contract which purports to be a conditional sale, but which in fact, by reason of its language, is a chattel mortgage, is invalid as to third parties."

Therefore, any contract which apparently is intended to retain title to goods in the seller but which by its terms makes the purchaser liable, although he breaches his obligations to make installment payments, is a chattel mortgage and void with respect to third parties.

Superiority

IT is well established that either a properly recorded chattel mortgage or a conditional contract of sale is superior to a warehouseman's lien on the stored goods. This rule is applicable irrespective when the mortgage or sale contract is recorded, provided it is recorded a *reasonable period* before the goods are accepted for storage. So held a higher Court in the late case of *Bloom-*

ingdale Bros. v. Cook, 152 Atl. 666.

The facts of this case are that a purchaser bought a piano on the installment plan. Ten days later the seller recorded a conditional contract of sale which stated that the title to the piano remained with the seller until it was fully paid for by the purchaser. Soon afterward the purchaser placed the piano in storage. Several months later the seller demanded possession of the piano and declined to pay the storage charges. The Court refused to hold the seller liable and said:

"It seems clear, therefore, that under conditional sales Act no one could acquire title to or a lien upon the chattel in question superior to the title and property right of the plaintiff (seller) where the title or lien of such third party accrued *subsequent to the filing of such conditional sales contract*. . . . Our present situation is therefore one in which the depositor deposits goods belonging to another. . . . It may seem a hardship to compel a warehouseman to examine the records in the county clerk's or register's office before accepting a chattel for storage, but, under the law as it is, he must either do so or else protect himself by collecting his storage fees in advance."

Ownership

BROADLY speaking, the right of a warehouseman to a lien on mortgaged goods is dependent or whether the mortgagee, holder of the mortgage on the owner of the goods, authorized the possessor to store them, providing of course the mortgage was recorded or otherwise brought to the attention of the warehouseman.

For example, in the case of *Ludwig, Baumann & Co. v. Roth*, 123 N. Y. S. 191, it was shown that a State law provides that a warehouseman's lien may be enforced "against all goods belonging to others which have been deposited at any time by the person who is liable as debtor for the claims in regard to which the lien is asserted, if such person had been so intrusted with the possession of the goods that a pledge of the same by him at the time of the deposit to one who took the goods in good faith for value would have been valid."

The owner of mortgaged goods stored them with a warehouseman. The holder of the mortgage later demanded possession and informed the warehouseman that the mortgage was properly recorded. The warehouseman refused delivery and the mortgagee filed suit. In holding the warehouseman not entitled to recover payment for storage charges, the Court said:

"The goods were subject to a mortgage, and under the mortgage the title to the goods was in the plaintiff (mortgagee). . . . The filing of the mortgage was constructive notice to the defendant (warehouseman) that the title to the goods was in the plaintiff."

Therefore it is well established law that a warehouseman cannot recover payment for charges on stored goods, unless he proves that the person who stored them was the legal owner.

Another phase of this law is illustrated in the leading case of *S. Jacobs & Son v. North Kensington Storage Co.*, 81 Pa. Su. Ct. 140.

In this case a seller proved that he had leased a piano to a person by whom

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it was placed in storage. The warehouseman contended he was entitled to recover payment for storage charges because when he accepted the piano for storage he believed that the person who stored it actually owned it. However the Court held the warehouseman not entitled to a lien, saying:

"It is obvious law that mere possession is only evidence *prima facie* of ownership of personal property, and the actual title and right of possession may be shown by the owner."

Authority to Store

THEREFORE, a warehouseman is required by the law to exercise care and diligence to determine whether the party, who orders goods accepted for storage, actually is the true owner. In other words, a warehouseman cannot recover storage charges from the owner of the goods where it is shown that the person who contracted for the storage was not authorized by the owner to incur the obligation.

For illustration, in *Young v. Colyear*, 201 Pac. 623, it was disclosed that a warehouseman was employed to store certain household goods and furnishings of which the possessor claimed to be the owner. Acting at his request, the warehouseman sent his employees with a truck to a residence, at which time, under instructions from the person claiming ownership, the warehouse employees entered the house and removed the goods. Later it was discovered that the person who claimed ownership had gained access to the house by unlawfully entering through a window and then opening a door, during the absence of the owner of the house. Later the legal owner of the goods located them and demanded that the warehouseman return her property. The warehouseman argued he was entitled to recover the storage and cartage charges as he was an innocent party and believed the goods belonged to the person who employed him to store them.

Notwithstanding this argument the higher Court held the warehouseman not entitled to recover payment, and said:

"The taking of plaintiff's property from her residence was little short of larceny. . . . While a warehouseman may, by virtue of his lien, retain possession of goods deposited by the owner, or by one in the lawful possession thereof, until the charges for which the lien exists are paid, such right does not apply to property of which, as in the instant case, the depositor has neither title nor right of possession."

Consent

AN important point of the law is that a warehouseman never is entitled to retain a lien for payment of charges on goods stored in violation to a properly recorded mortgage or other contract made with a party having an interest in such goods. On the other hand, if the holder of the mortgage or sale contract gives his consent to storage of the goods, the warehouseman is entitled to a lien, notwithstanding the

fact that the owner of the goods violated the terms of the mortgage or contract which was properly recorded.

For instance, in *Schmidt v. Bekins Van & Storage Co.*, 155 Pac. 647, it was disclosed that the owner of household furniture borrowed a certain sum of money and as security for the indebtedness executed a mortgage to the lender. The mortgage was duly recorded and it provided, among other things, that the property should not be removed from the premises where it was located without the written consent of the mortgagee. The owner of the furniture breached the terms of the contract and had the furniture removed from the premises to a warehouse. Soon afterward the holder of the mortgage, named Schmidt, called at the warehouse and

Next Month

THE law of warehouse sale, lease and rental contracts will be discussed by Mr. Parker in his next article, to appear in the August issue. Much litigation involving these can, through knowledge of established law, be avoided, the author holds.

Liability of seller; deception; voiding of sales by insolvent debtors; verbal contracts; lease terminations—these and other phases involved will be considered from the legal viewpoint, with Court decisions cited.

he was induced by the warehouseman to sign this statement:

"Bekins Van and Storage Company: In the matter of goods stored by Mrs. L. E. Knaued, 691 Folsom Street, on May 8th, this is to advise you that I hold a chattel mortgage on these goods, and that they were stored on the date given with my consent.—George M. Schmidt."

Therefore, the higher Court held the warehouseman's lien for storage superior to the recorded chattel mortgage, and said:

"A warehouseman is not entitled to retain mortgaged property to enforce his lien for charges when it was stored in violation of the provisions of the mortgage, without the mortgagee's consent, and no promise can be implied from the mortgagee's silence. . . . Looking at the whole record we think it requires us to hold that the plaintiff consented to the storage of the goods, and that therefore the defendant's (warehouseman's) lien takes precedence over the lien of the plaintiff."

Delay

IT is important to know that delay on the part of the holder of a mortgage, or a conditional contract of sale, in recording it may result in his forfeiture of prior rights, as against either the lien of a warehouseman or other person.

For example, in *Seger & Gross Co. v. Maclaire*, 165 N. Y. S. 423, it was disclosed that a conditional bill of sale was given Feb. 1. The goods were not then in existence and had to be manufactured. By March 20 all the goods had been delivered, except a few odds and ends of no importance. The conditional bill of sale was recorded March 23 at 10.30 a. m. The purchaser gave a mortgage to another person March 23 and it was recorded on this day at 10.35 a. m.

Litigation developed over priority of the mortgage and the conditional contract of sale. In holding the mortgage prior to the contract of sale, the Court said:

"It seems clear that the lien of the chattel mortgage is prior to that of the conditional bill of sale, for the reason that the delay in filing the conditional bill of sale was unreasonable. . . . As to all of the chattels there was a delay from the 20th until the 23d, and no excuse is offered for this delay."

Obviously this same rule is applicable with respect to a mortgagee or seller who delays recording his rights, and later a warehouseman claims a lien for storage or other charges.

Wrong Delivery

GENERALLY speaking, a warehouseman is liable to the owner of stored goods if he delivers them, without proper authority, to a mortgagee who has no legal right to take them. So held the higher Court in the case of *Beard v. Bradshaw*, 283 Pac. 990.

In this controversy it was shown that the owner of goods stored them with a warehouseman under an agreement to pay the storage charges. Soon afterward, without authority of the owner, the warehouseman permitted the holder of a mortgage on the goods to take them away.

The owner of the goods sued the warehouseman and proved that the mortgagee had no legal right to take the goods. Therefore, the Court held the warehouseman liable to the owner for the full value of the goods, and said:

"We think where one (warehouseman) assumes the position of having authority to deal with property and it is dealt with under that authority, to the hurt of another, the plainest principles of common decency prevent his assertion that he had no such authority now in order to escape liability."

Burden of Proof

VARIOUS Courts have held that any person who sues a warehouseman for wrongful delivery of mortgaged goods is bound to prove that the warehouseman failed to perform his legal duty.

For illustration, in *Cooper v. Newmyer*, 250 Pa. 559, it was shown that a warehouseman accepted goods for storage from a son. Later the warehouseman sold the merchandise for the debt of the father. The son instituted legal proceedings against the warehouseman to recover the value of the merchandise to which he claimed ownership.

The warehouseman introduced testi-

mony showing that the father had claimed ownership to the goods when he placed them in storage, and that the son did not assert his ownership at that time. The details of the testimony were submitted to a jury for consideration and it rendered a verdict in favor of the warehouseman. The son appealed to the higher Court, which sustained the verdict of the lower Court and explained that the burden is on a complaining patron to prove that merchandise belonged to him, and as the son had not proved ownership the warehouseman was entitled to sell the goods to secure payment for the father's debt.

Landlord's Lien

GENERALLY speaking, a landlord does not retain his right to a lien on merchandise, or other property, which the tenant removes from the landlord's premises, if it is shown to the satisfaction of the Court that the landlord consented to removal of the property by the tenant.

For instance, in *Pelzer v. Mutual Warehouse Co.*, 117 So. 165, it was shown that a tenant by consent of his landlord removed goods from the premises and stored them with a warehouseman. Later the landlord sued the warehouseman to recover the merchandise on the ground that the lien for rent was su-

perior to the warehouseman's lien for storage and advancements.

However, as it was proved that the landlord had permitted the tenant to remove the goods from the premises, with knowledge that the latter intended to place them in storage, the Court held the warehouseman's lien superior to the landlord's lien, and said:

"Whenever a waiver of the lien is claimed from the consent of the landlord to the removal of the goods, all the attendant circumstances must be considered, and from them the inference drawn, whether there was an intention to waive the lien, or whether strangers dealing in good faith, upon the possession of the tenant separated from the possession of the rented premises, have been misled. . . . Whether such a lien is waived, or not, is chiefly a question of intention, to be determined, like other questions of fact, by the circumstances of each particular case."

State Statutes Prevail

ALL Courts are universal in concluding that State statutes govern the legal rights of parties who claim liens on stored merchandise. Therefore, while such law is very unusual, a mortgagee or seller may have a superior lien to a warehouseman's lien for charges although the mortgage or sale contract is

not recorded, providing a State law clearly gives this preference to mortgagees and sellers.

For example, in the late case of *Knoxville Outfitting Co. v. Storage Co.*, 22 S. W. (2d) 354, it was disclosed that a Tennessee State law provides that a warehouseman's lien may be enforced only if the person who places goods in storage is the legal owner or has authority from the owner.

In view of this law the Court held the lien of the seller of stored goods, sold under a conditional sale contract, superior to the warehouseman's lien although the contract was not recorded. This Court said:

"The common-law lien of a warehouseman has been superseded in this State and a statutory lien of different scope provided in his favor by statute. . . . When there is a conflict between the common law and a statute, the provision of the statute must prevail. . . . The title of a vendor retained in a written contract, although unregistered, is in Tennessee superior to any right acquired by a purchaser for value and without notice. . . . Accordingly under the plain language of the statute, the warehouseman acquired no lien on such goods so deposited with him by this conditional vendee (purchaser)."

An Overworked (?) Estimator Peers Into the Future

Or Was It Only
a Dream?

By ALEXANDER GAW

Vice-President Lincoln Warehouse Corporation
New York

IT was a bleak March morning—one of those mornings when a warehouse estimator welcomes the knowledge that no business is going to stir him out of doors. Drowsing at my desk, I was snapped back to life by the insistent ringing of the telephone bell.

Answering, I was requested to quote rates for storing household furniture. Carting and packing prices were also asked for; finally a request for price for storing the contents of a five room apartment. Naming the prevailing rates for storage, carting and packing, I advised my prospective customer that it would be better for me to call and go over his apartment before saying just what the charge for storage would amount to.

At this he hesitated, explaining that he was occupied away from home the better part of the time, and that he could not appoint an hour when he would be able to see me.

It looked for a moment as if we might not be able to get together; then he suggested that he had a Television set; that I hang up and put in a call for X-82-C, through which connection it would be possible for him to show me in detail what he had in his apartment.

Complying with his request, I was connected with the number at once, and was advised by my prospect to place a large framed cardboard in front of me; to watch closely, and he would proceed with the display of the contents of his home.

I could discern faintly what appeared to be a large foyer, and so advised him. The Television was not quite clear. He advised me to turn off all lights in the office. This proved to advantage, and the picture came through clearly. I then saw a long table, on which were a lamp and two ornaments. These, he said, were heavy bronze tigers. On either side of

the table were large high-backed Flemish oak chairs. A tall lamp and an Oriental rug completed the furnishings.

He carried the instrument into the living room, where I was shown a large davenport, with two matching chairs upholstered in tapestry; another chair was in needlework. Two large bookcases were well filled with books, bound in half Morocco. A Martha Washington work table, a teawagon, a library table, several chairs, lamps, pictures and rugs were all clearly visible.

Next into the two bedrooms, where the appointments that usually accompany a well furnished apartment were displayed. Followed a breakfast nook, lightly furnished, but well stocked with china in cupboards.

Here, he explained, an angle in the hall prevented my seeing the contents of the kitchen; the Television instrument would

(Concluded on page 59)

Success Stories

No. 102

W. L. Hinds

By ELIZABETH FORMAN

Let's Take the Family Album Out of Storage!

Below, the combination merchandise and household goods warehouse of the Merchants firm

In oval, W. L. Hinds, president of the Merchants Transfer & Storage Co., Des Moines, Iowa



The Merchants' fleet of Mack trucks—supplementing twelve motor vehicles of other makes and sixteen teams. In inset at left above, Mr. Hinds at his desk in earlier years. At extreme right, the building on the second floor of which Mr. Hinds started in the warehouse business

REAL art, it has been said, "is knowing what to leave out." If this be true, the biographer who crowds between the covers of a single book the stirring events that have gone to make up the life of W. L. Hinds must needs be a very great artist indeed.

Mr. Hinds is, and has been for the past forty-one years, president of the Merchants Transfer & Storage Co., Des Moines, Iowa. Here are some of the highlights of his career:

He was born in Pittston, Pa., in 1858. Went to New York in '69 to attend boarding school. Is a graduate of Cooper Union in New York and studied mining engineering.

Has worked in every State in the Union excepting two. Worked in New York for \$3 a week and gave his mother \$2.

Started earning a living at 12 years old. Did up pack-

(Concluded on page 51)

Keynote and Highlight

Random Writings
by the Editor

"Within the Law" THE AMERICAN Warehousemen's Association has fired another gun in its battle before the Interstate Commerce Commission to compel the Government-subsidized Inland Waterways Corporation to end practices which, financially injurious to the public storage industry, are in alleged violation of the interstate commerce Act. The American's reply to Examiner Maidens' proposed report will be found in Washington correspondence elsewhere on these pages.

Pertinent to the situation it is interesting to note that writers in two of New York's nationally known financial publications, *Wall Street Journal* and *Barron's*, have recently commented adversely on the policy of the Inland Waterways Corporation in urging coffee interests to ship their product on slowly-moving barges plying between New Orleans and St. Louis and in this way avoid storage until markets are prepared to absorb.

As pointed out editorially by *Distribution and Warehousing* last month, this effort by the Federal barge line organization to attract business will if successful constitute "water warehousing substituted for land warehousing" and is proof that there was no substance to the "the barge line is not in the warehouse business" statement which W. M. Hough, traffic manager of the Inland Waterways Corporation, made before Examiner Maidens at Memphis last September.

R. W. Dietrich, chairman of the American Warehousemen's Association committee which is fighting the barge line practices, called attention, in last month's *Distribution and Warehousing*, to the Federal barge line general agent's suggestion to the coffee shippers. In substance it was that the producers could evade storage because "arrangements could be made to handle coffee on our slower tows, delaying its arrival at St. Louis to suit their needs."

Writing in *Wall Street Journal*, Thomas F. Woodlock, formerly a

member of the Interstate Commerce Commission, comments:

"No attempt is here made to interpret the full meaning of the words 'delaying its arrival at St. Louis to suit their needs.' Whether it means that the barge line's 'slower tows' will in the ordinary routine of their handling take so long in their regular journey that they will not arrive at St. Louis until it is convenient for the consignee, or that the barges will be delayed to suit the consignee's convenience, readers must settle for themselves.

"Free storage' in transit by the Federal barge line is already before the Interstate Commerce Commission in the case of sugar. In I. C. C. Docket No. 23,826, Savannah Sugar Refining Co. versus Inland Waterways Corp., the Savannah company is complaining of undue prejudice because the barge line is permitting storage of sugar in transit at Memphis, Birmingham and Holt (on water-rail rates) at total charges which are far below those usually assessed for such service, and are less than cost of handling.

"At Memphis, for example, where the barge line took over the warehouse facilities formerly operated by the Memphis Municipal River-rail Terminal & Warehouse Co., the barge line's charges are now 1½ cents per 100 lb. for handling, 60 days free storage, and one-half cent per 100 lb. for the next 30 days. The former owners charged 2½ cents for handling and 2 cents per 100 lb. per month. Thus the old charges were 6½ cents per 100 lb. for 60 days against the barge line's charge of 1½ cents, and 8½ cents for 90 days against 1½ cents by the barge line.

"The complaint's brief (p. 53) says of the testimony by Mr. Hough (the barge line's witness): 'He says that the charge covers the labor only. That there is no purpose on his part to charge a penny for storage; that his charge does not even cover all of the labor costs. He says that he has the warehouse anyway; that the storage of sugar therein costs him

nothing, and his charge covers only a part of the labor costs.'

"This is some of the competition which citizens of the United States have to meet at the hands of their Government."

Barron's calls the Inland Waterways Corporation's suggestion to the coffee shippers "another interesting device for attracting traffic to the barge line." After quoting in full the letter to the coffee interests, *Barron's* comments editorially:

"If this is not an offer to the Federal barges of what is in effect free storage of coffee in transit, it is nothing at all. As Chairman Dietrich suggests, it may be one of the reasons why the Government put up some more money to build more barges. Last year the Inland Waterways Corp. sold \$3,000,000 additional capital stock to the Government and collected some \$77,000 interest on the unexpended balance, which was the reason why it was able to reduce its profit and loss deficit by about \$46,000. But for this income there would have been a loss on transportation operations for the year.

"The Inland Waterways Corp.'s performances and the utterances of its chairman constitute a phenomenon which is beginning to irritate a good many people. It is not too much to say of it that it places the United States Government in a position which is none too reputable in the eyes of ordinary business men."

Incidentally *Barron's* titles its editorial "Within the Law."

Note the quotes.

A Minority Opinion Points the Way

THE INTERSTATE Commerce Commission has dismissed the proceeding in its Docket 12681, but warehousing will be heartened by Commissioner Eastman's vigorously-phrased dissenting opinion in which he says that the situation, involving wharfage, handling, storage and other accessorial services

at Atlantic and Gulf ports, "merits further and thorough investigation in our hands." Also encouragement will be found in the fact that Commissioners McManamy, Porter, Tate and Mahaffie side with Mr. Eastman in not agreeing with the majority opinion. The ruling being the decree of a bare majority, it would appear subject to further legal attack in the light of the minority's conviction that (as expressed by Mr. Eastman) "a situation exists as to storage charges . . . which is plainly contrary to the public interest and which in all probability is resulting in specific violations of the statutes which it is our duty to administer."

It is interesting to observe the interpretation placed on this I.C.C. decision by some of the newspapers. Quoted an Associated Press dispatch from Washington:

"The Interstate Commerce Commission today held that free storage of import and export goods and failure of railroads to charge for dockage does not violate the interstate commerce Act."

That is not precisely what the decision says. The decree does not say that free storage does not violate the interstate commerce Act. It says that the evidence before the Commission did not prove violations, which is something entirely different. To quote from the decision:

"... the evidence is insufficient to show that the transit storage charges on export, import, coastwise, and intercoastal traffic impose a burden upon other traffic or is otherwise unlawful."

The language is plain. So is Commissioner Eastman's when he says:

"A fair inference from the evidence is that this storage service, at rates which are not shown to be reasonably compensatory, is offered for the purpose of granting concessions to shippers, which will induce them to ship over the lines of the carrier offering such service. If this is not the situation, it is our duty to find out what the facts are. Obviously a contrary conclusion could not be reached on the record as it now stands."

With five of the eleven Commissioners so believing, there remains hope that the American Warehousemen's Association can yet compel the carriers to abandon their alleged discriminatory practices. With railroad storage warehouses going up in many cities, providing competition for established storage plants, the industry's pressure against those practices should be prosecuted.

And undoubtedly it will be. The Commission's decision though nominally adverse may be interpreted as actually favorable by reason of the minority's opinion. The

majority says that the evidence presented was insufficient to prove violations. The minority holds that the record as it now stands offers a fair inference that the carriers have been granting concessions at non-compensatory rates.

What is lacking, then, is evidence which a majority of the Commission would consider sufficient. Meaning that the present decision opens the way for the American Warehousemen's Association to institute a new proceeding in which an attempt would be made to present such evidence.

The Commission's dismissal of Docket 12681 does not terminate warehousing's fight.

Container Cars Mean Interchange of Loads

IT MAY BE suggested that the most important subject which will come up for discussion at the Mackinac meeting of the National Furniture Warehousemen's Association this month is that of the proposal to make use of railroad container cars for the transportation of household goods over long distances. The Bateman committee which has been investigating the possibility will have something concrete to suggest as a result of conferences with railroad officers and executives heading the L. C. L. Corporation.

Aside from the potential economies in long distance movement by rail rather than by motor truck in the face of bitter competitive conditions which fail to consider the cost factors, adoption of the container car method of forwarding household goods would, it is believed, have a psychological effect the importance of which is recognized by Mr. Bateman and his committee.

A return to shipping-by-rail will be a return to the practice of direct exchange of loads between members. Restoration of that practice could not but stimulate reawakened cooperative effort, and no association can function to its members' best interests without one hundred per cent cooperation.

Any movement toward attainment of that essential hundred certainly deserves the approbation of the individual members in whose behalf the committee is working, and all the warehouse executives identified with the National should deem it good business judgment to attend the Mackinac convention or be represented at it.

As gradually we emerge from industrial depression, common sense dictates intelligent consideration of new ideas.

We have attended a lot of conventions with Bill Schiffman, secretary and treasurer of the Eagle

Truck and Rail

E. H. BACON, vice-president of the Louisville (Ky.) Public Warehouse Co., correctly presumes that we are deluged with propaganda "on both sides of the question with relation to the use of the highways by trucks as common carriers."

Argumentative literature arrives daily from truck and automobile manufacturers, automotive associations, railroads, highway authorities, State bureaus, Government departments, professional public orators and what not—more than enough to fill one month's magazine if we published it all. Some of it is filed for reference and most of it goes into the wastebasket.

"If your experience is similar to mine," Mr. Bacon writes, "you have listened to many speakers, especially in the railroad fraternity, wailing over the unfairness of this competition, appealing for regulation, but supplying those who are sympathetic with but little ammunition in the way of convincing means to so regulate motor common carrier traffic as to be fair to both sides."

The Louisville executive accompanies his letter with a pamphlet, "The Unfair Competition Between Railroads and the Motor Carriers for Hire," prepared by Edward S. Jouett, vice-president and general counsel of the Louisville & Nashville Railroad Company, and he recommends it as something "probably more progressive in dealing with the subject than other arguments" to which he has listened.

The subject is one as moot as prohibition, if less romantic. Mr. Bacon calls the Jouett pamphlet to the attention of warehousemen and will be glad to supply copies on request.

Warehouse & Storage Co., Brooklyn, but have never thought to inquire as to his political affiliations, if any.

Whatever they may be, Bill should be content to let the Hoover administration ride along for another four years, for a clipping service sends us this from the New York Herald Tribune (June 14):

"Eagle Warehouse and Storage Company—Declared an extra dividend of \$1 a share on the common with the regular quarterly dividend of \$1.50."

In these days that's news!

Whether your warehouse is inland or coastal, below the Mason and Dixon line or above it, get the national viewpoint! In these days of Government and railroad competition, Chicago's problem is New York's and San Francisco's and that of New Orleans belongs to both the Portlands.

Occupancy Averaged 65.9 Per Cent on April 30

New Low Mark Recorded by
Department of Commerce

By KENT B. STILES

PUBLIC MERCHANDISE WAREHOUSING March-April, 1931

Division and State	Per Cent of Floor Space Occupied		TONNAGE							
			Received During Month		Equivalent No. of Lbs. per Sq. Ft.		Delivered on Arrival		Equivalent No. of Lbs. per Sq. Ft.	
	Mar.	Apr.	Mar.	Apr.	Mar.	Apr.	Mar.	Apr.	Mar.	Apr.
NEW ENGLAND (Total)	55.3	50.0	17,784	14,133	12.9	10.3	4,945	5,206	3.6	3.8
Vermont and New Hamp.	83.0	78.9		250		5.6				
Massachusetts	51.5	42.8	13,337	9,261	14.6	10.1	2,138	2,441	2.3	2.7
Connecticut	60.3	60.2	1,669	1,634	7.7	7.5	2,472	2,420	11.4	11.1
Rhode Island	68.5	68.7	2,528	3,038	11.9	14.4	335	345	1.6	1.6
MIDDLE ATLAN. (Total)	60.9	61.2	101,947	94,349	14.9	13.9	35,322	10,765	5.2	1.6
N. Y. Metropolitan Dist.	59.6	60.5	64,986	60,969	13.3	12.6	2,615	2,623	0.5	0.5
Total (1)	57.6	58.3	32,224	24,721	10.8	8.3	1,630	1,611	0.5	0.5
Brooklyn	67.6	66.2	8,524	9,094	11.3	12.5	198	182	0.3	0.2
Manhattan	50.8	57.7	21,163	22,564	21.0	22.6	787	830	0.8	0.8
Nearby New Jersey	43.5	51.3	3,075	4,590	24.1	36.0				
All Other	66.0	62.2	10,985	10,531	14.5	13.9	5,393	4,767	7.1	6.3
N. Y., except Met. Dist.	64.8	65.9	1,527	885	15.4	8.9	24,102	146	242.4	1.5
N. J., except Met. Dist.	63.7	63.6	24,449	21,964	22.3	19.9	3,212	3,229	2.9	2.9
Pennsylvania	71.8	72.0	85,273	88,138	19.3	19.7	18,387	17,210	4.2	3.9
E. NORTH CENT. (Total)	75.6	75.1	21,831	23,867	17.0	18.6	5,324	5,731	4.2	4.5
Ohio	74.3	75.6	6,662	6,363	17.8	17.2	1,760	1,815	4.7	4.9
Indiana	72.9	73.5	2,606	2,824	12.6	13.7	1,654	1,874	8.0	9.1
Illinois except Chicago	75.0	74.6	41,371	39,087	28.1	26.5	4,258	2,468	2.9	1.7
Chicago	63.2	65.1	9,204	12,457	10.7	13.8	2,914	3,059	3.4	3.4
Michigan	57.2	58.5	3,599	3,540	15.6	15.4	2,477	2,263	10.7	9.9
Wisconsin	74.3	71.5	45,822	43,510	18.3	18.0	16,990	17,720	6.8	7.3
W. NO. CENTRAL (Total)	62.5	63.2	835	987	9.9	11.7	801	1,907	9.5	22.7
Minnesota, except Minne-	74.0	70.0	13,204	11,046	17.9	16.0	6,344	5,761	8.6	8.4
neapolis and St. Paul	69.2	66.3	5,622	5,876	15.9	16.0	2,340	2,769	6.6	7.5
Iowa	77.5	76.2	12,026	11,202	21.6	21.9	2,703	3,489	6.6	6.8
Missouri, except St. Louis	73.5	74.6	3,100	3,237	9.9	10.4	360	317	1.2	1.0
St. Louis	77.2	66.8	1,485	2,015	13.6	18.4	263	337	2.4	3.1
North Dakota	70.9	70.3	450	419	29.4	30.4	88	163	5.8	11.8
South Dakota	78.1	72.2	6,458	6,518	26.0	26.5	2,041	2,170	8.2	8.8
Nebraska	76.8	74.0	2,642	2,210	29.6	24.7	1,050	807	11.8	9.0
Kansas	71.4	68.0	35,369	26,824	22.6	16.7	8,447	9,438	5.4	5.9
SOUTH ATLANTIC (Total)	69.1	62.7	20,483	12,529	21.6	13.2	1,883	2,048	2.0	2.2
Maryland and Delaware	79.9	74.9	2,614	2,019	27.6	21.3	1,532	1,649	16.2	17.4
District of Columbia	81.5	85.7	2,024	2,643	15.6	20.4	652	661	5.0	5.1
Virginia	82.7	84.4	1,452	1,292	17.7	15.8	542	566	6.6	6.9
West Virginia	71.2	67.7	2,091	2,203	16.7	18.0	498	527	4.0	4.3
North and South Carolina	66.4	70.6	6,705	6,138	36.1	27.1	3,340	3,987	18.0	17.6
Georgia and Florida	71.5	68.0	44,492	37,917	19.5	16.9	16,626	15,594	7.3	6.9
SOUTH CENTRAL (Total)	70.3	69.7	3,838	3,166	12.8	11.1	2,002	1,788	6.7	6.3
Kentucky and Tennessee	67.4	65.7	1,184	1,179	11.8	11.7	1,132	1,379	11.3	13.7
Alabama and Mississippi	70.0	69.5	1,831	2,053	14.4	16.2	940	917	7.4	7.2
Arkansas	69.4	66.6	19,764	11,853	22.2	13.3	474	523	0.5	0.6
Louisiana	77.8	73.7	10,046	11,289	80.5	90.5	8,207	7,082	65.8	56.8
Oklahoma	72.6	68.0	7,829	8,377	10.7	11.7	3,871	3,905	5.3	5.4
Texas	69.1	69.7	54,515	59,449	19.6	21.9	65,422	24,816	23.6	9.1
MOUN. and PAC. (Total)	75.1	69.5	384	296	11.3	10.2	381	350	11.2	12.0
Idaho and Wyoming	78.4	75.6	527	397	10.6	8.4	237	325	4.8	6.9
Montana	75.1	67.9	932	591	9.5	7.2	849	730	8.7	8.9
Arizona and New Mexico	59.4	59.4	2,022	2,364	16.6	19.4	133	268	1.1	2.2
Utah	72.9	75.4	1,197	1,093	9.1	9.0	41,939	1,175	317.7	9.7
Colorado	71.8	75.0	4,554	4,396	15.2	15.5	2,794	2,905	9.3	10.2
Washington	63.8	64.0	9,482	16,348	37.8	65.2	11,978	11,408	47.7	45.5
Oregon	69.0	69.6	35,417	33,964	19.8	19.1	7,111	7,655	4.0	4.3
California										
TOTALS FOR UNITED STATES	66.8	65.9	385,202	364,320	17.7	16.8	166,139	100,749	7.6	4.7

(1) Because of the importance of this territory, figures are shown separate from the State totals.

THE lowest figure recorded since the Government began compiling merchandise warehouse occupancy figures at the beginning of 1928 is reported by the Department of Commerce as of date of this past April 30. On the final day of April the average for the entire United States was 65.9 per cent. The previous low mark was 66.1 per cent, on Sept. 30, 1928.

The recession has been uninterrupted since the 70.4 per cent reported on the last day of 1930. The subsequent marks have been 68.9 on Jan. 31, 67.9 on Feb. 28, 66.8 on March 31, and 65.9 on April 30, this last percentage being subject to revision based on later returns from the warehouses cooperating.

The provisional April percentage, 65.9, is lower than the occupancy reported for the same date in each of the past three years. The comparisons:

	1928	1929	1930	1931
April 30....	69.8	71.8	69.7	65.9

The tonnage figures in the accompanying March-April table, made public at Washington on June 13, indicate that in April a smaller percentage of goods entered storage (out of total volume received) during April than in March.

In April 465,069 tons arrived at the reporting warehouses; of this volume, 364,320 tons, or 78.3 per cent, went into storage, the balance being delivered on arrival. In March the total arriving volume was 551,341 tons, of which 385,202 tons, or 69.9 per cent, entered storage, the balance being delivered on arrival.

The 78.3 per cent for April is lower than the mark for the same month last year but is higher than either of the marks for the same month in the previous two years, as the following comparisons indicate:

	1928	1929	1930	1931
April.....	77.3	75.9	78.7	78.3

Occupancy

THE 3.8 per cent average decline in occupancy, for the entire country, this past April 30, from the level recorded on the previous year's corresponding date, was not reflected in Vermont, Massachusetts, Connecticut, Rhode Island, New Jersey outside the metropolitan district, Nebraska, District of Columbia, Virginia, Florida, Georgia, Okla-

homa, Texas, Montana, Colorado and Washington. In those sections there were gains reported. Elsewhere there were recessions.

The following comparisons are available across four years:

	Occupancy—April 30			
	1928	1929	1930	1931
Me.-N. H.-Mass.-Vt.	44.8	...	...	...
Mass.-Vt.	...	50.1	50.6	...
Vt.-N. H.	...	...	...	78.9
Massachusetts	...	...	...	42.8
Conn.-R. I.	52.2	65.7	59.3	...
Connecticut	...	...	...	60.2
Rhode Island	...	...	...	68.7
N. Y. Met. Dist.	80.5	76.5	67.9	60.5
Brooklyn	80.3	79.1	63.8	58.3
Manhattan	77.7	68.8	76.0	66.2
Nearby N. J. and others	82.4	76.8	67.0	...
Nearby N. J.	...	...	...	57.7
All other	...	...	...	51.3
N. Y. State	77.8	74.3	68.6	...
N. Y. State except Met. Dist.	...	...	...	62.2
N. J. State	82.8	78.0	65.6	...
N. J. State except Met. Dist.	...	...	...	65.9
Pennsylvania	71.6	71.2	72.7	63.6
Ohio	69.9	87.8	82.1	75.1
Indiana	74.8	81.7	77.8	75.6
Illinois	77.0	78.7	80.5	...
Ill. except Chi.	...	...	...	73.6
Chicago	78.1	79.1	82.0	74.6
Michigan	75.2	67.6	74.3	65.1
Wisconsin	88.1	84.5	79.1	58.5
Minnesota	71.8	76.9	74.1	...
Minn. except Mpls. & St. Paul	...	...	...	63.2
Mpls. & St. Paul	72.5	77.5	74.6	70.0
Iowa	75.8	67.9	69.1	66.3
Missouri	73.7	81.1	77.6	...
Mo. except St. Louis	...	...	...	76.2
St. Louis	70.9	81.7	74.8	74.6
No. & So. Dak.	70.0	93.3	82.5	...
North Dakota	...	...	...	66.8
South Dakota	...	...	...	70.3
Nebraska	71.2	69.8	63.6	72.2
Kansas	74.2	84.8	74.2	74.0
Del.-Md.-D. C.	55.8	53.4	67.8	...
Del.-Md.	...	...	...	62.7
D. C.	...	...	...	74.9

Va. & W. Va.	72.2	70.4	85.5	...
Virginia	...	...	...	85.7
West Virginia	...	...	...	84.4
Carolina	63.0	68.7	70.0	67.7
Ga.-Fla.	70.9	70.6	62.0	70.6
Ky.-Tenn.	68.3	76.8	71.2	69.7
Ala.-Miss.	80.0	81.4	73.7	65.7
Ark.-La.-Okla.	57.0	80.3	71.4	...
Arkansas	...	...	...	69.5
Louisiana	...	...	...	66.6
Oklahoma	...	...	...	73.7
Texas	54.8	58.5	54.7	68.0
Ida.-Wyo.-Mont.	72.8	64.0	72.2	...
Idaho-Wyoming	...	...	...	69.5
Montana	...	...	...	75.6
Ariz.-Utah-Nev. & New Mexico	74.3	77.2	...	...
Ariz.-Utah-N. M.	...	...	76.2	...
Ariz.-N. M.	...	...	...	67.9
Utah	...	...	...	59.4
Colorado	74.2	75.0	68.5	75.4
Washington	55.0	68.0	71.6	75.0
Oregon	72.1	67.2	69.5	64.0
California	72.1	78.2	72.4	69.6
Average for U. S.	69.8	71.8	69.7	65.9

Warehouses reporting. 1321 1218 1511 1369

Comparing the April 30 occupancy percentages (which are provisional) on the opposite page with those of March 31, it is disclosed that the decline of nine-tenths of one per cent is not reflected in Rhode Island, New York metropolitan district, New Jersey, Indiana, Illinois outside of Chicago, Michigan, Wisconsin, Minnesota outside of Minneapolis and St. Paul, St. Louis, Virginia, West Virginia, Georgia, Florida, Colorado, Washington, Oregon and California. Utah was unchanged. Elsewhere there were recessions.

Tonnage

As already pointed out, the percentage of volume which entered storage in April, out of the total arriving tonnage,

was smaller in the 1931 month than in April of 1930, the drop being four-tenths of one per cent for the entire country. By divisions the comparisons across four years are as follows:

	Percentage Entering Storage—April			
	1928	1929	1930	1931
New England	74.2	85.5	70.0	73.6
Middle Atlantic	79.1	85.8	87.5	89.8
E. No. Central	85.4	85.0	85.7	83.7
W. No. Central	72.1	69.8	76.9	71.1
South Atlantic	78.9	53.5	79.1	74.0
E. So. Central	77.3	79.4	74.8	57.8
W. So. Central	74.7	80.2	75.7	73.0
Mountain	50.9	61.0	55.8	62.5
Pacific	66.6	64.0	64.8	71.4
Entire country	77.3	75.9	78.7	78.3

Warehouses reporting. 1321 1218 1511 1135

Comparing this past April's percentages with those recorded for March, it is found that an advance of 8.4 per cent was reported for the entire United States. The gain was led by the Mountain district with 52.1 per cent, due to the fact that 41,939 tons reaching Colorado warehouses in March were delivered on arrival, as compared with only 1175 tons in April. The comparisons by divisions for the two months follow:

	Percentage Entering Storage—1931		
	March	April	Change
New England	78.1	73.6	- 4.5
Middle Atlantic	74.4	89.8	+15.4
E. No. Central	82.3	83.7	+ 1.4
W. No. Central	73.0	71.4	- 1.9
South Atlantic	80.7	74.0	- 6.7
E. So. Central	61.6	57.8	- 3.8
W. So. Central	74.5	73.0	- 1.5
Mountain	10.4	62.5	+52.1
Pacific	69.3	71.4	+ 2.1
Entire country	69.9	78.3	+ 8.4
Warehouses reporting..	1149	1135	

Chicago-Milwaukee Container Car Situation Involved in a Petition Filed With I. C. C.

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

A LOCAL competitive situation involving rates for container car service between Chicago and Milwaukee has led the Chicago & North Western Railway to petition the Interstate Commerce Commission to modify its order in the Container Car Case (Docket 21723) to compel the Chicago, North Shore & Milwaukee Railroad, an electric line, to "bring its rates and practices in conformity with the report and order" in the case.

The Northwestern's petition says it believes the situation referred to is an unusual one, with no counterpart anywhere in the United States.

The North Shore Line, the petition says, not being subject to the Commission's order in the container car case, has established a low basis of rates "involving the loading and transportation on flat cars of what are understood to be truck bodies or trailers."

To meet this competition, the Northwestern has established a container car service on a basis as near to that of

the North Shore Line as is possible, considering the different types of equipment used by the two lines.

These rates, the Northwestern says, are not adequate for container service, or any other service, but are simply maintained because of the "aggressive, sharp and increasing competition" of the electric line.

In the beginning, the Northwestern points out that it does not oppose the Commission's decision in the container car case. On the contrary, it says, it considers the findings "sound as a matter of law and thoroughly justified by the evidence."

"The suspension and eventual cancellation of certain of the proposed schedules saved to the western carriers a vast amount of revenue which otherwise would have been sacrificed by an ill-considered and inadequate rate basis," the petition states.

"Petitioner does not desire that the adjustment prescribed by the Commission be broken down or subjected to erosive process. Petitioner, on the contrary, insists that in protection of the western carriers' revenues the fundamental requirements of the Commission's

report and order must be preserved in full force and vigor."

The rates put into effect by the electric line, according to the petition, are on a sliding scale, based on minimum weights per truck. The rates are:

Minimum Weight per Truck	Per 100 Pounds
6,000 Lb.	40 cents
10,000 "	30 "
15,000 "	25 "
20,000 "	20 "
20,000 "	15 "

The last-named rate applies only when either pick-up or delivery service, not both, is required.

On second-hand empty containers, returned, a rate of 15 cents per 100 pounds, minimum weight 20,000 pounds per truck, is charged.

"So long as the North Shore Line is permitted to maintain rates lower than the rates required herein it would have an unwarranted traffic advantage over petitioner in an important territory which petitioner has served and developed over a long period of years, and there would seem to be no reasonable probability that petitioner could obtain sufficient traffic

(Concluded on page 59)

H. A. HARING'S

Developing New Business for Warehouses

No. 68

Coal

JUST about the last commodity a merchandise warehouseman would name as likely to be found in his house is coal. But, during the winter of 1930-1931, coal made its first trial of the public warehouse, and, so successful has been the experiment, another season promises to find coal on the ledgers of a hundred warehouses.

We think of coal as a commodity for carloads—about as far from warehouse handling as sand and gravel and crushed stone. Coal, as an article of bulk tonnage, belongs in the open, not on the floor of a clean and dry warehouse. It was only in the late autumn of 1930 that any coal mining company attempted to think of anything smaller than a carload, and, until that time, the entire coal industry had accepted, as a unit of buying and selling as well as of mining, the carload of 50 tons.

THE Colorado Fuel & Iron Co., Denver, with mines throughout Colorado, has put out a carton measuring 18 by 11 by 11 inches. It holds 60 pounds of coal. The Old Ben Coal Corporation, Chicago, with mines in that State and two or three to the south, has a carton of slightly less net contents, measuring 16 by 12 by 8 inches. Both companies have so designed their cartons that the purchaser, by cutting through the dotted lines of one corner, makes a spout through which the contents may be poured directly into the firepot. The weight of the carton permits even a woman to lift and handle it without undue burden. The shape lends itself to convenience on the floor, and, in the words of the Old Ben Corporation, "perfectly to being conveyed easily in any automobile either inside or on the running board."

"Hand-to-mouth" buying is deliberately encouraged!

Yet, in the coal trade, such buying has always been loudly decried. Both mining companies and retailers have discouraged the customer who drives to the coal yard in his automobile for "a bushel of coal" in a burlap bag, or who asks to have it shovelled into two old cartons that have been loaded into the rumble seat or lashed to the running board. They have likewise grumbled at the poor man who comes on a cold morning with a wheelbarrow or a child's cart for "25 pounds of nut coal." The coalman could never think of any unit less than a ton! He wanted none of it.

But, quite unexpectedly, now that a convenient package has been devised and recommended by two of the leading producers of coal, retailers have learned to pile the handsome cartons on top of each

other in their lobbies and offices. Even windows have shown displays, on the theory that "goods well displayed are half sold."

Yes, the new package has inaugurated new selling methods for the coalman. Heretofore he had nothing but contempt for the householder who wanted to fire up the kitchen range for a few weeks in winter time and cook with gas the remaining nine or ten months of the year; he could "not understand" why any woman would cook over an oil stove in her summer cottage or why a farmer would burn wood in his brooder stove during the day and coal during the night (when the fire could be held over with less attention). And, because of his contempt, the coalman made no effort to accommodate the customer who wanted two or three hundred pounds of coal for a particular purpose. If, after much grumbling, the dealer did deign to deliver—even to permit the purchaser to carry away his own goods—the quantity of dust and slack was out of all proportion to the coarse coal in the weight. Never was there an effort to give such a customer coal that had been carefully prepared, screened of dust, freed from slate and impurities, or sized to his needs. He got "run-of-mine" or, at best, "run-of-the-pile," and nothing better.

Small Packages

THE new packages offer coal of "nut" size. This means pieces which average from about an inch to an inch-and-a-half in dimensions, usually prepared by being screened through bars that are 1½ inches apart and over bars

Fifty tons, to a coal mine, means the same thing as 10 cents to a Woolworth store: it is the only known yardstick of a business transaction.

But, due to the aggressiveness of two important mining companies, the industry had suddenly shriveled its unit of measure from 50 tons to 50 lb. This means a cut from 100,000 lb. to 50, the new unit being 1/2000th of the old.

Coal, under the newer selling, has done what a hundred commodities have done. Bulk quantities have been packaged into tiny lots. Coal has now done what rice and sugar and salt and flour and rolled oats have done. It has submitted to being packaged. No longer is there no choice but to allow the dealer to shovel out from a huge pile for every customer. Now, when a user wants but a small lot, he buys it in a package!

that are 1 inch apart, although, in different mining districts, the standards vary slightly.

The packaged coal is, moreover, carefully washed in troughs and vats of water for removal of dust, dirt and "machine bug-dust." The coal is run over a picking-table at the mine, where bits of rock and slate are removed. The washing, too, gives a brightness of appearance. The coal is then packaged at the mine. It is clean coal, full weight. It is trademarked, with a guarantee from the mining corporation for uniform quality and careful preparation.

Coal of this sort would not be used for house heating in the ordinary sense. It is, primarily, designed for the kitchen range, the water heater, farm out-buildings, and emergency uses either for brief cold spells or for resort cottages.

As one would expect to find, the retail price is higher than for the same quantity if bought on the established price per ton. The same condition prevails, as anyone knows who stops to figure it out, when we buy salt in the carton rather than in the barrel, gasoline by the gallon rather than in tank cars—in fact, with all package goods. Convenience, however, is more than cost, and, in launching packaged coal to the American market, these mining corporations feel assured that customers are willing to pay an increased price in return for clean and convenient lots of the commodity.

One of the producers, Colorado Fuel & Iron Co., urges upon the retailer that it is possible to make "from \$6 to \$11 a ton profit" with 34 cartons to the ton. This margin, according to the announce-

ment, is "better than 60 per cent gross profit on every box sold." The announcement goes on to say:

"We suggest to dealers a retail price of 59c. or 69c. The value of the odd price, especially when it ends in 9, has long been recognized by successful retail merchants. It looks like a special price; it looks like less money than it really is; it gives you a big psychological selling advantage.

"We suggest the 59c. price to dealers in territories where the freight rate is relatively low and the 69c. price to those in the higher freight rate districts. Of course, you can charge any price you wish, but we urge you not to go below 59c. a box for our coal. It may seem like a high price to you, but you figure on a per ton basis. The customer does not. He sees an attractive box of coal that is clean, easy to handle and easy to use. Fifty-nine cents or 69c. does not seem high to him for the value he receives. You can build a good tonnage at 59c., or 69c., or any price in between. Get a good price for it and make a real profit."

The other leading producer, Old Ben Coal Corporation, has adopted a policy slightly different. A price of 50c. is printed on each carton. No matter where the dealer happens to be in business, his cartons are to be delivered to him by the mines "in carload lots at 30c. a carton, we absorbing in this price the freight, with such variances in rates as may exist, thus making it possible for every coal merchant to obtain exactly the same assured profit of 20c. on each carton sold."

It should be remembered that these two corporations operate in regions quite unlike in freight rate structures and, for that reason, their policies will differ.

But a Carload Is Too Much!

ALREADY, in less than one year, these companies have plumped right into trouble. A carload of the new packages is too much! Even a coal retailer, accustomed to think of fifty-ton units on bulk coal, is staggered when he is told that a carload of the packages will mean from 1200 to 1500 cartons.

Large dealers, of course, do not hesitate. But, as with all trades, the small dealer predominates. He has bought, to his sorrow, large quantities of all sorts of specialties for his coal yard, only to discover that the public did not lap up the product before the advertising campaign was over and forgotten. He has, only too regularly, found himself overstocked with a trademarked item impossible to sell. Therefore, he has declined to order the packaged coal in carloads.

This condition drove the producers to think of warehousing the new packages last winter. And, in addition to the two large corporations we have named, others at several coal mining centers of the country have ventured to bring out packaged coal.

The market for this specialty has already become competitive, with the result the carload-buying dealers are few and far between. Nor has the effort to get dealers to join together for pool car shipments made much headway; coal merchants hardly know the words "pool car," and salesmen for the mining companies have been unable to educate them to the advantages in one brief season.

New Outlets

FOR another matter, the new package has opened up the possibilities of selling coal through new outlets. Chain stores have, in one or two instances, taken on the packaged coal. Grocers have stacked the cartons on the sidewalk. Small retailers, of the general store type in country towns, have added the line. Even filling stations have been tried by the energetic coal mining companies!

Exactly what outlet will finally prove to be best we do not know. Probably the companies themselves are at sea. It is, however, a certain conclusion that they will continue to try different outlets to the market, in the effort to broaden demand for packaged coal and in the hope of getting in each community a place to display their packages in the shopping district. Coal yards, of necessity, are not common in the retailing zones; the public thinks of coal as not a thing to be purchased

on the impulse of the moment. The new package, however, intends that these customary buying habits shall be changed, so that, before another generation of families grows up, a package of coal will be thought of only when the last one has been used. The coal bin, for many a home, will disappear and be replaced by the handy carton in the back entryway, and, when this occurs, a carton of coal will be bought from day to day. It will be jotted down on the housewife's shopping list, to be ordered along with salt and oatmeal, and to be selected from among competing brands by the whim of the moment or through the appeal of the picture on the carton.

Enter Warehousing

A FEW public warehouses handled packaged coal last winter. Many others have received inquiries from the mining companies—not only these two, but a score of competitors more recently in the field.

Every indication points to warehousing as the logical route to the market in any community where the coal yards are unwilling to take on full carloads.

If, too, new marketing outlets continue to develop, it will be out of the question to expect them to receive carload lots. They are not accustomed, as are the coalmen, to handling thirty or fifty tons of any commodity at a time. They will think of 10 or 25 cartons—less than a ton; and, in order to sell to them, the mining companies will be forced to warehouse spot stocks.

The warehouses will serve in the same manner that they distribute for other merchandise.

Warehousemen, accordingly, should not laugh off a suggestion of receiving coal into store. Inquiries deserve careful attention and aggressive follow-up, the warehouseman remembering, throughout all his correspondence and solicitation, that no coal-mining concern has ever had the slightest connection with a warehouse, and that it may be necessary to explain in detail the services available through the public warehouse.

Consolidated Now Functioning

The recently organized Consolidated Truckers, Inc., Cincinnati—a merger of four storage and trucking firms—has established its warehouse and garage at Pearl and Eggleston Avenues and its motor freight terminal and general offices at Pearl and Plum. It will operate general trucking, motor freight terminals, warehouses and inter-city and long distance trucking, with branches at Hamilton, Middletown and Dayton, according to Louis J. Hughes, the president.

The four merging concerns were the Peter Hughes Express, operating the Cincinnati Storage Warehouse; the Charles J. McDevitt Motor Delivery; the Merchants' Drayage Co. and the C. & D. Motor Delivery.

A. J. Willenborg is secretary-treasurer of the Consolidated.

Lawrence in San Pedro

The Lawrence Warehouse Co., San Francisco, operators of merchandise and field warehouses in various California cities, has opened a bonded storage structure, containing 32,000 square feet of floor space, on Pacific Avenue, San Pedro, Cal.

The Lawrence firm will operate on a five-year lease, with privilege of renewal, from the Agricultural Potassium Phosphate Co., San Pedro.

Walker Plant to Remodel

The building of the Walker Storage & Van Co. at 521 Peachtree Street, N. E., Atlanta, is to be extensively remodelled to make it one of the finest depositories for household goods in the Southeast, according to George Sebold, vice-president.

In remodeling the offices will be moved to the front of the building, facing Peachtree street. In the rear, on the main floor, will be located steel containers used in storing household goods. On the same floor will be located special rug vaults and racks for upholstered furniture, with space for pianos. The two upper floors will be used exclusively for storing household goods while the packing rooms will be located on the ground floor.

When you ship goods to a fellow warehouseman—use the Warehouse Directory.

FROM THE LEGAL VIEWPOINT

By
LEO T. PARKER

Uniform Application of Removals Statute

IT is well established that a city may enact a valid ordinance requiring warehousemen, and other operators of moving vans, to record with city officials the addresses of the customers for whom goods are moved, the addresses to which the goods are moved, and other similar facts.

It is important to know that any ordinance of this character is invalid and unenforceable, however, if it is in any manner discriminatory, or not applicable alike to all businesses in the same classification.

For instance, in the recent case of *Dowdy v. City of Covington*, 35 S. W. (2d) 304, it was shown that a city enacted the following ordinance:

"That it shall be unlawful for any person or persons, firm, or corporation, owning or operating any moving van, furniture car, transfer wagon, express wagon, delivery wagon, or any other vehicle, to haul or move any article of household goods, trunks, chattels, or personal property or effects in the possession, custody, or control of any residents of the City of Covington, in connection with the changing of the place of his or her or their residence, until there has been recorded in a book to be kept for that purpose by such person or persons, firm, or corporation, the full name of the owner or person in possession, custody, or control of such household goods, trunks, chattel, or personal property or effects, together with the address of the place from which and to which such hauling or moving is to be done, giving the date thereof and the name of the owner or person in charge of such vehicle."

The law prescribes also that those engaged in the moving business shall on Monday of each week file in the office of the commissioner of public safety a correct statement covering all moving transactions by them during the previous week.

Certain operators of moving vans filed suit to invalidate the law on the ground that the city officials did not enforce it with respect to non-resident movers. Also, it was contended, the law was invalid because the persons who were moved were usually reluctant to divulge the information required by the ordinance and for this reason, frequently, persons who desired to have their household furniture moved hired moving vans from outside the city.

The higher Court thoroughly considered all of the evidence and rendered a decision holding that the ordinance was valid and enforceable but that it *must be applied alike with respect to warehousemen and other owners of moving vans located outside the corporation limits and those located within the city*. This Court said:

"Since, therefore, the purpose of the ordinance was to obtain a registration of those moving from one place in the city to another, or to a place entirely out of it, and to provide for the making and preserving of a record thereof, and there being no language in it excluding from its operation non-resident movers, it should apply to all parties engaged in moving inhabitants of the city."

Your Legal Problems

MR. PARKER answers legal questions on warehousing, transfer and automotive affairs.

There is no charge for this service.

Write us your problems. Publication of inquiries and replies gives worth-while information to you and to your fellows in business.

A City's Right to Limit Truck Loads

INASMUCH as many cities recently have enacted laws restricting the load which may be hauled over certain streets, it is important to know under what circumstances such laws are valid and enforceable.

As to whether an ordinance limiting loads on streets is reasonable depends on the requirements of the different localities, the age, construction, and durability of street pavements, and the need for traffic regulations and segregation. Moreover, where an ordinance is within the grant of power by State laws conferred upon municipalities, the presumption is that it is reasonable.

The power of the Legislature over public streets, so far as the public interest is concerned, is absolute, and it may change their control at pleasure, giving jurisdiction over them to the city if it sees fit. So long as private rights

are not invaded, the legislative authority may vacate streets, may limit their use, and may permit their use for any purpose not incompatible with the object for which they were established.

For example, in the late case of *Ferguson Co. v. Thompson*, 174 N. E. 896, it was shown that the city of Chicago enacted an ordinance which prohibited hauling loads or more than three tons over certain specified streets. By the terms of a State law the city was given the power to regulate and control all vehicles conveying loads and merchandise within the city.

A motor truck owner, who owns nine large trucks which weigh about 15,500 pounds each and have a capacity of 14,500 pounds, was arrested for violating the ordinance. He appealed to the higher Court on the contention that the law was invalid because the enforcement of the ordinance interfered with his right of access to his premises, and that the municipality had no right to destroy this right without making compensation therefor. However, as it was shown that his place of business was not situated on the street affected by the ordinance, the higher Court held the law valid and enforceable, saying:

"The ordinance does not prohibit the use of the streets or deny abutting property owners access to their property. The ordinance simply restricts the weight of vehicles using the streets. It prohibits the owner, together with the public in general, from hauling loads greater than three tons. . . . Under no circumstances will a Court entertain a bill to enjoin the enforcement of an ordinance on the ground alone that it is void, but those seeking to restrain its enforcement must allege and prove facts showing that their interests are affected. . . . The ordinance, so far as the public is concerned, was clearly a valid exercise of the powers conferred upon the city. It was also valid as against appellant [truck owner], unless it deprived it of ingress and egress to and from its premises."

Legal Status of Bailed Property

THE legal rule that one cannot be divested of his property without his consent, and the principle that one cannot convey a better title than he himself has, controls all questions arising as to personal property attempted to be transferred or as to lien created thereon. The

mere fact that a person puts property into the charge or custody of another does not divest the possession of the true owner. The legal possession still remains in the owner, because the agent, bailee, or lessee thereof can have no greater title.

For illustration, in *Cooperider v. Myre*, 175 N. E. 235, litigation arose between the owner of personal property and a possessor who contended that his title to it was superior. During the trial it was shown that the owner of the property had placed it in the care of a bailee. The latter, without knowledge of the owner, gave possession of the goods to another. In holding the owner entitled to recover possession of his property, the Court said:

"It is no doubt true that possession of personal property is some evidence of ownership, and may be sufficient in a given case to protect one dealing with the property as that of possessor. But mere possession, unaccompanied by other circumstances giving it a specific character, is not such evidence of ownership as to prevail against the true owner, except in case of negotiable instruments, mortgaged chattel property, or that sold under conditional sales agreements."

When a Policy Is Ambiguous

GENERALLY speaking, the Courts construe insurance contracts in favor of the insured, particularly if the policy is ambiguous.

In the recent case of *Cook Trucking Co. v. Continental Ins. Co.*, 124 So. 239, a trucking company held an insurance policy which contained the following clause:

"This Company shall not be liable for loss caused directly or indirectly by neglect of the insured to use all reasonable means to save and preserve the property at and after the fire or (unless fire ensues, and, in that event, for the damage by fire only) by explosion of any kind."

A fire originated in the business district and, fanned by a strong wind, had traveled several hundred feet, consuming everything in its path. The fire department dynamited a large building and checked the fire, which undoubtedly would have consumed the dynamited property, as well as other buildings, had it not been demolished. The fire insurance company refused to pay the insurance to the trucking company on the contention that the foregoing clause in the policy relieved it from the payment.

However, the Court held the insurance company liable, saying:

"Was it within the contemplation of the parties, in entering into this contract, to exclude liability resulting from explosion friendly to the interest of the parties to the contract, designed to check and save the insured property from destruction, or is it limited to hostile explosions, inimical to the interest of both parties, not caused by fire? . . . The intention of the parties must prevail. . . . If doubtful, the Court will lean to that meaning most favorable to the insured,

remaining, however, at all times within the terms of the contract, which is to say: 'Where the provisions of a policy of indemnity are reasonably susceptible of two constructions, consistent with the object of the obligation, one favorable to the assured, and the other favorable to the assurer, that will be adopted which is favorable to the assured.'"

Commission Must Hear Both Sides

OWING to competition by private automobiles and to the development of highways the existence of interurban railways has been made rather precarious, and consequently many of them have been before public utilities commissions complaining about the patronage. However, when considering applications from motor truck owners to install or extend motor delivery service, the Commission is bound to receive testimony of both applicant and objector.

For instance, in *Central Ohio Lines v. Public Utilities Commission of Ohio*, 174 N. E. 765, it was disclosed that a motor truck owner made application to the Commission to extend its route. An interurban company filed testimony showing that its business had been reduced to such an extent that further competition would cause it to be insolvent.

In view of this testimony the Commission refused to grant the truck owner the right to extend its route, and, also, refused to hear testimony in favor of extension of the motor transportation route. The truck owner appealed to the higher Court, which reversed the Commission's decision, and said:

"This was an application to extend the route under the old certificate. The application, therefore, had to be considered by the Commission and governed in the same manner as in the case of an original application. . . . The principle is elemental that, upon any hearing, each side of the controversy must be given an opportunity to present its case."

A Distinction Between Truck and Transfer Man

GENERALLY speaking, laws specifying transfer and storage companies are not applicable to private owners of motor trucks.

For example, in *Gypsy Co. v. Keys*, 295 Pac. 612, it was disclosed that a State law enumerates and designates the classes of industries and business enterprises which come within the meaning of the workmen's compensation law, as follows:

"Compensation provided for in this Act shall be payable for injuries sustained by employees engaged in the following hazardous employments, to wit . . . gas works, water works, glass factories, laundries operated by power, creameries operated by power, quarries, construction and engineering works . . . transfer and storage. . . ."

A motor truck owner, whose business was to transport merchandise, was sued

by an employee whose arm was broken while he was cranking a truck. He contended that the foregoing law required his employer to pay compensation for the injury. In holding the truck owner not liable for compensation under this law, the Court said:

"It is clear that the clause 'transfer and storage' does not include 'motor carriers' and that owners or operators of motor trucks hauling property for the public for compensation and authorized to operate as motor carriers under permits granted by the corporation commission do not come within the meaning of the industries and business enterprises covered by the workmen's compensation law."

Equipment Retained as Rental Security

ALTHOUGH a landlord obtains possession of warehouse equipment, as security for rent unpaid by the warehouseman, the landlord is not entitled to retain an interest in the goods greater than the amount of money which the warehouseman owes.

For example, in *National v. Scovill*, 22 S. W. (2d) 68, it was disclosed that a person, who purchased equipment on time basis, leased a building and signed a lease contract, as follows:

"The said lessor [landlord] may enforce a lien when any rent is delinquent by taking possession of and selling such of said property as may be sufficient to pay the delinquent rent, and additional sales may be made thereafter of other property in the event the rent should be delinquent thereafter."

The tenant failed to pay the rent and the landlord took possession of the equipment. The seller of the goods sued the landlord to recover possession. The Court held the landlord entitled to retain possession of equipment in value equal to the amount due in rent saying:

"It appearing that defendant [landlord] possessed but a special and limited right or interest in the property, it was erroneous to award him the full value of the property, for the damages should be limited to such special interest which resided in him, and, of course, this included the principal of the debt and accrued interest thereon."

Individual Liability for Partnership Debt

IT is well settled that any or all members of a partnership are personally liable for payment of partnership debts. Moreover, any person who contributes capital or personal services and receives profits from the enterprise is a legal partner, although this relationship is not intended by the parties.

On the other hand, the mere fact that a person advances capital, without sharing in the profits, is not sufficient reason to justify a Court in holding him liable for the debts of the partnership.

For illustration, in the recent case of *Louisiana Co. v. Tallent*, 123 So. 141, it

was disclosed that a man named Martin loaned a business owner, Tallent, various sums from time to time aggregating approximately \$6,000 without security and without taking any acknowledgment thereof in the shape of a promissory note, or otherwise.

A seller of goods sued Martin for debts contracted by Tallent. However, as the seller failed to prove that Martin shared in the profits, the Court held Martin not liable, saying:

"The evidence undoubtedly establishes the fact that Martin's relations with Tallent were very close and were very unusual but it falls short of proving a partnership. *There is no testimony to show any intention to share profits or losses in the business.*"

Selling Lots for Charges

LEGAL EDITOR, Distribution and Warehousing: Presuming a lot of goods comes into our warehouse on April 1, 1929, and that on or about Jan. 1, 1930, we notify the owner that we intend to sell them under a warehouseman's lien and he in turn notifies a mortgagee of the goods of our intentions. The mortgagee gives us notice of a recorded mortgage dated February, 1925, and not to sell except at our peril. We withdraw said goods from said sale and notify mortgagee that charges have accumulated on the lot and advise him to protect his lien in accordance with provisions provided by law. In November, 1930, we again go through the motion of notifying the various parties, including the mortgagee, of our intentions of conducting another sale to enforce our lien. He, the mortgagee, again warns us of his recorded mortgage and we again advise him to protect his rights in accordance with provisions provided by law. Can we sell these goods to enforce our lien?
—General Warehousing Company.

Answer: Generally speaking, the mortgagee's lien is prior to your lien, but one higher Court recently held that the mortgagee is liable for payment of storage charges after receiving notice that the goods are in storage. See 224 N. Y. S. 71.

In another case, however, *Driggs v. Dean*, 167 N. Y. 121, the Court held that a mortgagee is not liable for the storage charges, except from the time he indicated an intention to take control of the goods. A recorded mortgage lien usually is prior to warehouse charges and, therefore, in cases of this kind you should obtain consent of the mortgagee to retain the goods in storage with guarantee that he would pay subsequent charges. If you cannot obtain this guarantee you had best refuse to keep the goods, unless the amount of the money obtainable from the sale is sufficient to pay your charges in addition to the amount due the mortgagee.

True Ownership Should Be Known

LEGAL EDITOR, Distribution and Warehousing: We have stored with us a shipment of merchandise which had been stored by the original owner who went into receivership after the goods were stored with us. The goods passed through the hands of a trustee and the receiver and finally through the bankruptcy Court. Finally, a notice to various parties that the goods on hand would be sold for charges brought a response in the shape of a check from a party representing himself as the owner of the goods in question.

We have tried to get a definite statement of ownership from the bankruptcy Court but so far have been unsuccessful. Are we justified in demanding a written evidence of ownership, or would we be safe in recognizing orders for delivery from the man who paid the charges and

announced himself as owner of the goods?—*The Terminal Warehouse Co.*

Answer: A warehouseman is liable for delivery of goods to a person not the legal owner, although the latter claims to have legal title to the goods in storage. In a case of this kind it is advisable that you obtain definite information regarding ownership of the goods before making delivery to the person who has paid the storage charges. If he is financially responsible it may be proper for you to deliver goods to him after receiving a written statement that he claims ownership and assumes responsibility for any damages or liability which may result to you by making delivery to him.

Liability Determined by Status of Control

LEGAL EDITOR, Distribution and Warehousing: In our case we pay one of our men a mileage for every trip he makes. He is our cabinet maker and frequently goes out on jobs, using his own Willys-Knight, but we pay him mileage. He renders us a memo weekly. In such cases does the liability rest with the employee-owner of the car or does it still rest upon us?—*William H. Schaefer & Son.*

Answer: The fact that you pay your employee on a mileage basis for making deliveries in his own automobile would not relieve you for damages resulting from his negligence, providing you retain control over him.

If, however, you simply pay him on a mileage basis for making deliveries at specified places but without retaining control over him during the period of deliveries, then he is legally an independent contractor whose duties are to deliver your merchandise to your customers irrespective of the method or manner in which such deliveries are completed.

Louisiana Group to Compile Motor Laws

COMPILATION of the laws of States of the Southwest relating to truck operation in interstate traffic is planned by the Louisiana division of the Texas-Southwest Warehouse and Transfermen's Association, according to announcement by J. R. Herrin, Shreveport, La., vice-president of the association.

This action is to clarify the existing situation which has resulted in considerable inconvenience to truck operators in making hauls out of their resident States. Mr. Herrin has appointed W. M. Carnahan, Baton Rouge, as chairman of the legislative committee of the Louisiana division, and this committee will have supervision of compiling the legislative digest. Members of the association will be posted on the various statutes.

Under the organization plan of the

Texas-Southwest body the latter includes members from Texas, Oklahoma, Arkansas and Louisiana, and a vice-president has been elected to have supervision of the activities in each of these States. Robert A. Weicker, Oklahoma City, is vice-president in Oklahoma, and S. J. Beauchamp, Little Rock, is vice-president in Arkansas.

The Louisiana division plans to launch a membership campaign, and C. L. Pace, Alexandria, has been appointed by Mr. Herrin as chairman of the membership committee.

The Red Giant

The Revolver Co. has placed in production a new type of lift truck, called the "Red Giant." Bulletin 93J describing and illustrating the machine may be had by addressing the company at 336 Garfield Avenue, Jersey City.

Calitalo Acquires Merchants

The Merchants Ice & Cold Storage Co., San Francisco, has been acquired by Associated Calitalo Holdings, Ltd., it is announced by M. Maffei, president of Calitalo. The latter is a corporation holding company operating banks in leading Coast cities and controlling two insurance firms and numerous other business enterprises.

The Merchants is capitalized at \$6,000,000 and according to its certified statement of last Dec. 31 its net earnings for 1930, after deducting all corporate expenses, depreciation and bond interest, totalled \$99,313.90.

Acquisition of the Merchants, according to Mr. Maffei, marks Calitalo's venture into the public utilities field.

The Merchants company holds membership in the cold storage division of the American Warehousemen's Association and in the Pacific States Cold Storage Warehousemen's Association.

MOTOR FREIGHT

Reg. U. S. Patent Office

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By Philip L. Sniffin

THIS MONTH

Your Motor Trucks Have Now Become Paid Advertising Mediums

YOU have probably seen them on the street and wondered about them—the motor trucks of the American Railway Express Company with panels on both sides containing the 4-sheet posters of prominent national advertisers, from cigarettes to chewing gum.

It is a relatively new idea. These national advertisers are buying this advertising space on Railway Express trucks on the basis that they contract for billboards.

More than \$25,000 a week is the potential value of space on the truck sides of the 8500 unit fleet of Railway Express. Space, according to *Advertising and Selling*, is sold at the rate of \$3 per week per truck for two or four-sheet posters, measuring 46 inches high by 60 or 120 inches wide, by Express Motion Poster Service, Inc., New York City.

It is interesting to read the arguments advanced by the Express Motion Poster Service organization to interest advertisers in the use of this medium. The points brought out here unquestionably succeed in establishing a definite value to truck space in the advertising field. The following are extracts from statements made by this company:

"Express Motion Posters provide advertising in action everywhere.

"They appear in all avenues of trade.

"They furnish eye-level advertising that everybody sees.

"They give every advertiser a full front page in color.

"They reach every class of buyer in every neighborhood.

"Circulation: The Express vehicles are seen: By the readers of all the newspapers; by the readers of the magazines; by everyone who sees the billboards; by the classes and masses; by people of every political and religious belief; by men, women and children; by motorists, car riders and pedestrians.

"Mass and Class: Express Motion Poster Service is Mass Appeal because it reaches all the people—the Times Square, the Broadway, the Fifth Avenue and the suburbs of every city are serviced by the express vehicles.

"It is Class Appeal because the art and poster work is high grade, but still

more important because the area of circulation includes the fine sections of cities where no other display advertising is available.

"Reiteration: Each Express truck every day traverses a different route and in many cases this route is covered several times daily. This systematic demand for attention creates reiteration to a high degree and makes E. M. P. S. advertising an outstanding value.

"Effectiveness: E. M. P. S. advertising is effective because the advertising is brought to the consumer.

"It is not necessary to pass a certain poster location—Railway Express trucks bring every E. M. P. S. advertisement to the attention of the public.

"Concentration: E. M. P. S. advertising has no waste circulation, because the trucks are always traveling in the avenues of trade, serving both industrial and residential territories. There is not dissipated circulation."

Some Ideas

SOME very worth-while ideas on this new attitude toward trucks were pointed out recently in a talk given to a group of beverage-bottling executives by S. E. Travis, Jr., vice-president of the Weldmeh Company. The principles of the proposition are identical with the situation in the storage industry and so

S. Dalsimer & Sons, Philadelphia, welcomes the opportunity to buy space on trucks for advertising display purposes. This company has succeeded in buying such space from four different truck owners, using it to advertise its service and product. The other parties to the contract were operators who had no great need for the space and were willing to let it go for \$100 a year plus cost of keeping the trucks painted.

Geo. B. Bains & Sons, another Philadelphia concern, considers one truck with advertising display more than twice as valuable as one billboard, and on this basis saves itself \$140 per month. For every new truck added to its fleet this company eliminates two illuminated billboard "ads" for which it paid \$70 per month.

this speech to bottlers is quoted here verbatim.

"The problem of sending the public to the dealer is 100 per cent yours. If you don't get Mr. Consumer to the dealer with your product on the tip of his tongue, you have failed to make a sale. You all must be doing this, but how are you doing it? By advertising? Certainly . . . that is a foregone conclusion. I take it you are using some, maybe all, of the conventional types of advertising . . . newspapers, metal signs, posters, attractive dispensers, school children helps, motion pictures, premiums, but why enumerate the thousand and one different mediums of advertising? . . . you know them all better than I do. But more than half of you are either overlooking or neglecting the most powerful merchandising medium which ever has been, or ever will be, available to a bottler. What am I talking about? I'm pointing my finger at you and telling you I mean your delivery equipment.

"Can you buy advertising space on Park Avenue or downtown Broadway in New York? You can put a truckload of beverages there.

"Can you buy advertising space on Commonwealth Avenue in Boston? You can put a truckload of beverages there.

"Can you buy advertising space in the business section of any American



Fruehauf bus-type van which has been added to the equipment of the Belmont Moving & Storage, Inc., Evansville, Ind. This is a drop-frame, rounded-end semi-trailer chassis mounted with a Pullman-type body. The unit has a rated capacity of 5 tons. The body, 24 ft. 3 in. by 7 ft. 3 in. by 7 ft. 6 in., contains 1200 cubic feet of payload space

metropolis? No! No matter how much money you have, you can't; but—you can put that truckload of beverages through that business section as many times as you want to.

"Now let's get down to brass tacks. If circulation means anything in advertising, and the newspapers tell you it does, the poster people tell you it does, the motion-picture people all tell you the same thing, and the price you pay is based on circulation—if circulation means anything, what have you to offer to compete with attractive and distinctive delivery equipment?

"I just made the statement that half of you were losing sight of the importance your delivery equipment can play in merchandising and advertising. If I were to make a similar statement regarding the bottling industry in general, I would stretch that considerably. I would say that 90 per cent of the bottlers in this country are operating in blissful ignorance of this factor, and I would base this statement on the personal observation of members of my organization in visiting more than 2500 bottling plants in nearly every State in the Union and in several Canadian Provinces.

Circulation

"NOW let's get back to circulation. There is not one among you who is not trying to promote home consumption. You know you cannot buy advertising space on the best residential streets; it just isn't for sale at any price, but—you must instill that urge to buy in the minds of the housewives on those streets, and you have the means to do this at your disposal. That means is distinctive and attractive delivery trucks, and trucks, unlike walls or posters, do not have to wait for the chance passer-by to be seen. They are not dependent on circulation at any one spot, but circulate constantly through the areas in which advertising space is unobtainable.

"You have a similar situation in the business sections of your communities where advertising space isn't for sale. Yet, right in those sections you have the greatest circulation of people—and they are apt to be in a spending humor or they wouldn't be downtown. You want their nickels and what are you doing about it?

"I have been using the attractive and distinctive right along in referring to delivery equipment, and these two attributes must be present if the equipment is to have any value either in merchandising or in advertising. As a matter of fact, unattractive and unkempt delivery equipment will act as a retardant to sales.

"Can you realize this? I think you can. Suppose, when you get back home, each of you paint a sign on every truck you operate reading something like this: 'These drinks are not bottled under sanitary conditions.' If you did, sales would fall over night.

"Yet, in effect, though not so emphatically, many of you are doing just that thing. You are delivering your beverages on dirty, poorly-painted trucks, equipped with nondescript bodies which are repulsive to the stomachs of many people who see them.

"You may have a beautiful plant, most modern every detail, sanitary to the last degree—but who sees it? Not 5 per cent of the people who must drink your product if you are to remain in business. How many of your consumers see your trucks? I will venture to make the statement that there isn't one who doesn't see one of your trucks at least once every day. Your plant breathes the atmosphere of quality and purity, and it rightfully should, for these are the fundamental essentials in a successful bottling enterprise, but why not extend this atmosphere to your delivery equipment? Why not tell all the people in your territory the same story your plant tells a pitiful few? Why not

capitalize on the merchandising value inherent in such a plan and benefit in increased sales and profits? That's it, why not? And there isn't an answer, because the way is open to all of you."

Cost Angles

THE significance of this tendency with trucks is even more apparent when considered from the standpoint of cost.

During 1929, \$1,000,000,000 was expended in the United States alone on advertising in newspapers, magazines, billboards, electric signs, etc., and out of this enormous expenditure no allowance was made for advertising on automotive equipment.

The fact that the majority of companies use their automotive equipment as a means of advertising their products is sufficient to show that it must be considered a good means of advertising, and while it is not recognized as such in our budgets, let us compare it with various other kinds of recognized advertising:

Let us take the billboard first. As you know, these billboards are constructed at points in cities and along highways so that they can readily be seen by pedestrians and travelers. Statistics show that the cost of advertising on these billboards runs from \$100 per sign per month to as high as \$1,500 per sign per month, the price, of course, being based upon the size of the sign, the location, and the condition in which the contract provides the sign must be kept.

Now, we have automotive equipment that is continually traveling around and through our cities and out over our highways, being seen by numberless pedestrians and travelers. In order to preserve the material in that equipment it is only necessary to give it a good coat of some kind of paint, but as it is continually moving among the people upon whom we depend for patronage, with a very little additional expense we can attractively paint and letter that equipment so that each unit becomes a traveling billboard. Does it not seem logical that this billboard moving from place to place is more valuable as an advertising medium than a stationary billboard would be?

The cost of attractively painting and lettering a piece of automotive equipment would vary from \$60 to \$250, but this amount would be trivial as compared with what is paid out for billboard, and the returns on such investment would undoubtedly equal the returns on a similar outlay for billboard advertising.

No doubt the argument will be presented that a truck after being out a short time will become dirty and badly worn, giving a poor advertising value. Admitting that this is true, it must be conceded that the advertising value is sufficient to warrant the small additional amount necessary to keep the equipment freshly painted and lettered at all times, the cost of which would be slight as compared with the expense of billboard advertising.

Automotive advertising cannot be classed with electric sign advertising as a whole, but it has one feature of an electric sign; that is, it is a sign in

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motion, and it is a recognized fact that a sign in motion attracts more attention than an immovable sign. Therefore, an attractively painted and lettered piece of automotive equipment should have its place in recognized advertising, ranking in value between the electric sign and the billboard.

Inquiry among various operators of automotive equipment does not disclose much, if any, question as to the value of advertising on automotive equipment, but the real issue involved is the fact that the cost of this advertising is carried as an automotive operation cost instead of being carried as an advertising cost. This method of handling the cost, in many instances, is responsible for the poor condition into which the paint and lettering on some units are permitted to deteriorate.

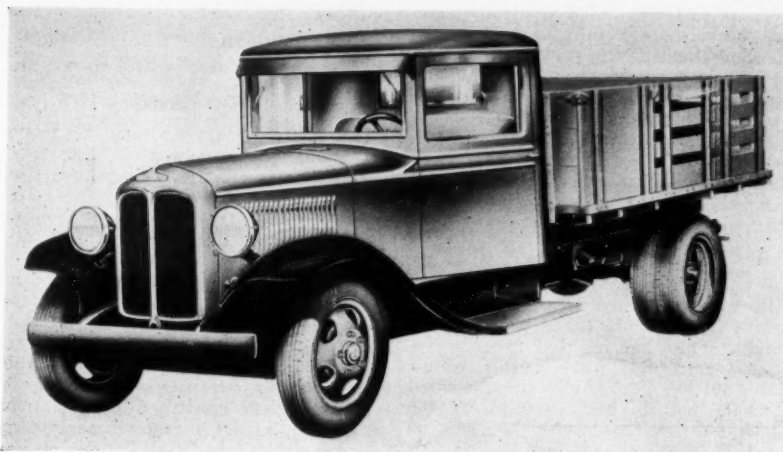
There is no question that in the end this cost is figured into the "per unit cost" of the article or product advertised. However, if it were carried through under its proper charge, undoubtedly more value would be secured out of this method of advertising, for the reason that as long as this cost is charged to operating expense, the operating department will naturally neglect the appearance of the equipment in order to keep their operating costs down, while if such costs were set up as an advertising item, the unit would not be allowed to lose its attractiveness.

Company Colors

In many cases companies feel that it is good advertising to have their cars painted with company color schemes and monograms. This method of advertising, while good from a sales viewpoint, has its bad feature in that the company sacrifices the cost of a repaint job when the unit is disposed of, and the question is raised as to whether the value of this method of advertising is sufficient to offset the loss sustained when the unit is traded in. Assuming that advertising on automobile equipment is equal to other outside methods of advertising, and considering the length of time such equipment would ordinarily remain in service, it would seem that the loss sustained in the trade-in is well warranted.

Undoubtedly the additional expense incident to the use of automotive equipment for advertising purposes will bring some discussion from the automotive operating departments, as this additional cost of painting and lettering, under the present distribution arrangement, would tend to increase automotive operating expense (as such costs are now being wrongfully charged to that account), but:

Inasmuch as storage companies spend thousands of dollars perfecting trade-marks and trade names, why not take advantage of the advertising medium provided by the road equipment they must of necessity maintain, and use it to help in keeping before the public these trade-marks and trade names, letting the expense involved be absorbed where it rightfully belongs—in the advertising budget?



One of the new Reo 1½-ton speedwagons

Recent Models

AMERICAN CAR & FOUNDRY MOTORS, Detroit: This organization enters the truck-manufacturing field with a line of heavy-duty vehicles known as the A. C. F. Highway Express and designed for high road-speed, flexibility and reserve power. The engine is a 6-cylinder Hall-Scott used in A. C. F. buses. Wheelbases in the three models are 186 inches standard and respectively 240, 222 and 222 inches maximum. Gross weights are 28,300, 24,300 and 23,600 pounds. Two-plate 14-inch long clutches are used, with 4-speed Brown-Lipe transmissions in unit Standard brakes are 4-wheel Westinghouse air type. The compressor, also Westinghouse air type, takes care of air brakes on trailers if desired.

Autocar Co., Ardmore, Pa.: To provide more rating graduation between models, Autocar has introduced a 6-cylinder series, known as N, in its 3½-ton classification. While the gross weight rating is 22,000 pounds throughout, the allowable weight of body and pay-load varies with the wheelbase, as follows: Model NA (174-inch wheelbase), 13,670 pounds; Model NB (192-inch), 13,500; Model NC (218-inch), 13,340; Model ND (242-inch), 13,180.

Gotfredson Truck Co., Detroit: Two 1½-ton chassis are announced which are identical except that one has a 4-cylinder and the other a 6-cylinder engine. The former, RB34, is priced at \$975; the other, RB36, at \$1,075. Each carries gross weight rating of 10,100 pounds and is offered in a standard wheelbase of 136 inches, with 157 inches maximum. Engines are unit-mounted Budas. Other major units include Clark 4-speed transmission, Clark axles, Spicer joints, Ross gear and Midland steel frames.

Hug Co., Highland, Ill.: Additions are Model 23, rated at 2 tons, and Model 42, a 3-ton, with maximum load capacities of 6000 and 8000 pounds respectively. Both are furnished in 160, 175 and 185-

inch wheelbases, with the 3-ton available also in 150 and 185-inch wheelbases. Engines are Model H-298 Budas. Other specifications include Fuller 4-speed transmission, Clark spiral bevel axles, Ross steering gears, 4-wheel hydraulic service brakes, and pressed steel frames.

Reo Motor Car Co., Lansing, Mich.: A 1½-ton 4-cylinder speedwagon at \$625, a 1½-ton 6-cylinder speedwagon and \$725 and a 101-hp. 4-ton have been introduced. The first two mark Reo's entry into the low-priced field. Transmissions of the 1½-ton trucks are of the 4-speed type. Brakes, which are internal hydraulic, are supplemented with an external propeller-shaft hand-operated brake. The standard wheelbase is 136 inches, with 160 inches optional. Wheels are spoke steel and carry 6.00/20 balloon tires in front and 32 x 6-inch 8-ply high pressures at the rear. Available at extra cost are 6.00/20-inch duals at the rear. The 4-ton, with a rate pay-load of 8000 pounds, comes in wheelbases of 150, 170 and 190 inches, the standard being the 170, for which the gross weight is 20,000 pounds. This model is furnished standard with 8.25/20-inch front and 9.00/20-inch dual balloons at the rear. The engine is a 6-cylinder L-head. One of the 1½-ton speedwagons is illustrated herewith.

Stewart Motor Corp., Buffalo: A 3½-ton 8-cylinder, Model 38-8, capable of 50 to 60 miles an hour with full load, heads the list of three announced trucks. Listed at \$3,990, it is Stewart's first 8-cylinder and comes in a standard wheelbase of 170 inches, with special lengths of 196, 226 and 241 inches at extra cost. It is fitted with a regular 4-speed and an auxiliary 3-speed transmission, 4-wheel Bendix brakes amplified with a booster, and 9.00/20-inch balloons, dual rear. The same chassis, at the same price, designated as Model 38-6, may be obtained with a 6-cylinder engine. The third new Stewart is a 3-ton 6-cylinder known as Model 36X and listing at \$2,990, with a standard 4-speed transmission and a 3-speed auxil-

itary, the latter mounted amidships; service brakes are Bendix Duo Servo 4-wheel mechanically operated by rods on the rear and cable on the front and amplified by a B-K vacuum booster. The 3-ton is supplied in standard wheelbases of 165 and 149 inches and specials in 176, 190 and 220 inches at extra cost. Cast steel hollow spoke wheels and 9.00/20-inch balloons with dual rears are standard.

White Company, Cleveland: To provide a complete overlapping range of models from 8000 to 13,000 pounds gross weight, White has inserted two series—601-602 and 611, 612—in this range. Model 601 has 7.00/20-inch tires, is rated at 9000 pounds and lists at \$1,900. Model 602, equipped with 7.50/20's, is rated at 10,000 pounds and is priced at \$2,050. Models 611 and 612 carry 7.00/20 and 7.50/20-inch balloons respectively, are rated at 11,500 and 13,000 pounds and are priced at \$2,550 and \$2,800.

New Trailers

GENERAL MOTORS TRUCK CO., Pontiac, Mich., has entered the trailer field with models not for its own trucks alone but for use with other makes of commercial vehicles. The line includes semi-trailers, 4-wheel and 6-wheel units, ranging from a gross rating of 8000 pounds up to 45,000 pounds based on the axle. G. M. T. is offering also a standard type of fifth-wheel which can be coupled with Fruehauf, Highway or Martin type of semi-automatic semi-trailers and also with the Highway full automatic semi-trailer; the wheel is available for other makes of tractors and semi-trailers. This adaptability is made possible by designing a fixed lower fifth-wheel and an upper wheel which may rock or may be locked in a fixed position.

The B. & J. Distributing Co., 3913 Michigan Avenue, Chicago, is offering a full line of trailers ranging from light units for Fords, Chevrolets and similar tractors to heavy-duty models for 10-ton service. Twenty-four-inch fifth-wheels interchangeable with semi-hook-ups are used throughout the line, although 30-inch wheels are furnished also. Lengths range from 10 to 16 feet. Round nose and square front panel and stake rack bodies are furnished if desired. Metal panel bodies are of 18-gage steel, 6 feet high and 6½ feet wide.

The Woods Motor Truck Division of the Arrow Aircraft & Motor Corp. has placed in standard production its first semi-trailer. Of 10-ton capacity, it has a curved front, closing the gap between body and cab to less than a foot, thus giving increased loading space and cutting wind pressure. The frame is of heavy reinforced steel. Brake equipment is optional. A fifth-wheel is one feature.

Florida Act Held Unconstitutional

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

A FLORIDA statute attempting to regulate the operation of "auto transportation companies," including both common and private carriers operating wholly within that State has been declared unconstitutional by the United States Supreme Court.

The Court's decision, however, did not turn on the question of the power of the State to regulate motor truck carriers, but on a question of discrimination which, it was alleged, the Act set up between certain private carriers.

The statute attempted to put under State regulation all "auto transportation companies" except "corporations or persons engaged exclusively in the transportation of children to or from school, or any transportation company engaged exclusively in the transporting of agricultural, horticultural, dairy or other farm products and fresh and salt fish and oysters and shrimp from the point of production to the assembling point en route to primary markets or to motor vehicles used exclusively in transporting or delivering dairy products or any transportation company engaged in operating taxicabs, or hotel buses from a depot to a hotel in the same town or city."

The case before the Supreme Court originated when E. S. Smith, a private truckman, hauling merchandise under contract for the Great Atlantic & Pacific Tea Co. from Jacksonville to various points in Florida, was arrested by a county sheriff. The warrant charged him with operating vehicles on the county highways without having obtained the certificate of public convenience and necessity and without having paid taxes required by the statute.

The case reached the Supreme Court of Florida after the County Circuit Court held the statute unconstitutional insofar as it applied to Smith. The State Supreme Court reversed the lower tribunal and upheld the constitutionality of the Act. The case then was brought before the United States Supreme Court.

Chief Justice Charles E. Hughes, who wrote the Court's opinion, said "we entertain no doubt of the power of the State to insist upon suitable protection for the public against injuries through the operations on its highways of carriers for hire, whether they are common carriers or private carriers."

"But," he continued, "in establishing such a regulation, there does not appear to be the slightest justification for making a distinction between those who carry for hire farm products, or milk or butter, or fish or oysters, and those who carry for hire bread or sugar, or tea or coffee, or groceries in general, or other useful commodities.

"So far as the statute was designed to safeguard the public with respect to the use of the highways, we think that the discrimination it makes between the

private carriers which are relieved of the necessity of obtaining certificates and giving security, and a carrier such as the appellant (Smith), was wholly arbitrary and constituted a violation of the appellant's constitutional right."

—Stephens Rippey.

Regulation Bill Tabled

Opposed by the Connecticut Warehousemen's Association, the Motor Truck Association of Connecticut and other interests, a railroad-backed bill providing for State Commission investigation of motor trucking failed to pass the Connecticut Legislature, which recently adjourned. The measure was enacted by the Senate but was tabled by the House. A proposal for gas tax increase was voted down.

Warehousemen and trucking interests supported a measure which, enacted, increases the total weight on 6-wheeled equipment equipped with pneumatic tires.

Lapeer-Trailmobile Merger Is Announced

The Lapeer Trailer Corp., Lapeer, Mich., and the Trailmobile Company, Cincinnati, have consolidated and, effective June 1, the new organization became known as The Trailer Company of America, with headquarters in Cincinnati. J. Englaender is president of the new firm.

Trailmobile, a pioneer in its field, was established in 1841 as The Sechler & Company and was incorporated in 1879.

Diamond-T Lowers Prices

Sharp price reductions ranging as high as \$700 have been announced by the Diamond-T Motor Car Company, Chicago, on various truck models.

Model 291, of 11,000 pounds maximum gross rating, formerly priced at \$1,475, is now listed at \$1,325, a reduction of \$150. Model 303, of 13,500 pounds gross rating, formerly \$1,745, is now \$1,585, a reduction of \$160. Model 551, of 15,500 pounds gross rating, formerly \$2,250, is now \$2,050, a reduction of \$200. Model 504, of 17,500 pounds gross rating, formerly \$2,675, is now \$2,375, a reduction of \$300. Model 603, of 20,000 pounds gross rating, formerly \$3,300, is now \$2,975, a reduction of \$325. Model 750, of 24,000 pounds gross rating, formerly \$4,800, is now \$4,100, a reduction of \$700.

Space Is Bonded in Jacksonville

The Government has opened a bonded customs warehouse in the building of the Union Terminal Warehouse Co. at Union and Ionia Streets, Jacksonville, Fla. The firm's premises have been bonded to the Government and a compartment 50 by 100 feet will hold merchandise in custody of the customs service for the benefit of importers.

The Family Album's Outline of Career of W. L. Hind, Des Moines

(Concluded from page 37)

ages in an A. & P. store for 30 cents a day.

Went to Coney Island for amusement and splurged by spending 15 cents.

When his salary reached \$3 a week he shared with a friend a house made from a piano box. Now, every year when he visits New York, sees friend he lived with.

Injured an ankle and was in bed three years. Had thirty-six operations.

Borrowed some money and got married.

Worked on the elevated railroad in New York for three years—one Second, Ninth and Sixth Avenues.

Received an unlimited pass for railroad transportation because his father had bailed out Jay Gould after the latter had been arrested.

Went to Colorado in '83 on a mining proposition. Grasshoppers were so thick on the tracks of the Union Pacific that they had to be wiped off with cloths so trains could pass.

Always carried a gun.

When Ladies Went Armed

Has a hat with two bullet holes through the crown to remember the days when men were men and the West was wild and woolly. A woman took a shot at him because he was surveying a line across her property.

Worked in a mine for a Buffalo company for four years.

Got into a scrap over a mine and gave up. (It now is one of the biggest concerns in Colorado.)

Represented International Harvester in the Dakotas for a time.

Went to California and lost all his savings.

Returned to Iowa and farmed for three years. Knew nothing about farming but it was the only business he could buy on his nerve.

Sold the farm and lent some money on a transfer business.

Got stung.

Couldn't pay and couldn't collect. Father was a Maine man and the banker was a Maine man. Banker told him he would have to take the business and make it pay.

Banker loaned him \$68,000 without security—and here he is.

Went into business 41 years ago last December.

Had two wagons and four horses in the early days. Got up at 4 a. m. and cleaned the barns.

Shoed his own horses.

Hauled anything—mostly shoes and groceries.

Got ahead by buying another team and another wagon and working a little harder.

Started warehousing in second story of a building and had to haul everything up with a rope.

Harry D. Liddle, secretary of the company, has been with it thirty years.

Has never worked for anyone else. Came there when he was 19 and drove a little grocery wagon.

Plant now has 160,000 square feet in one warehouse and 80,000 in another.

Stores furniture, merchandise, undertaker's supplies, gloves, cold storage products, furs, wooden legs—anything to make an honest dollar.

Mr. Hinds has lived 22 years in one house and has occupied only two houses in 41 years.

Doesn't like to move. It costs money.

His present wife is a sister of the first. Married eldest of family. She was taken ill and her younger sister nursed her for years, and some time after her death became Mrs. Hinds.

He has attended the annual association conventions for 29 consecutive years.

Was president of the old Central Warehousemen's club.

Was one of the charter members of the Des Moines Club.

Played golf once but lost the ball and never found it.

Started smoking at 70 and now smokes ten or twelve cigars a day.

Told the doctors at Rochester, Minn., to go to hell when they gave him just six hours to live. That was five years ago.

His real love is mining—gold, silver, lead.

Still interested in mines in Colorado.

Owens a mine in a gulch higher than Denver, above the timber line.

Bought it after Taber, one of the greatest miners in the country and the man who brought in Leadville, had offered \$250,000 but couldn't get it.

Says he is going to have the biggest mine in the world some day.

And in conclusion, he is a member of the merchandise division of the American Warehousemen's Association, the National Furniture Warehousemen's Association and the Iowa Warehousemen's Association.

Old B/L Forms Extended

All the railroads have extended until next Dec. 31 the period during which they will continue to accept the old bills of lading forms, revised last year and to have become effective last Aug. 1. Time for continued use of the old forms was at first extended to Dec. 30 last and then to June 30 of this year.

When the old forms, either straight or order, are used they must be stamped with this notation:

"This shipment is tendered and received subject to the terms and conditions of the Company's Uniform Bill of Lading, effective Aug. 1, 1930."

Lumpp Rejoins Lee

Roy H. Lumpp rejoins the staff of the Currier-Lee Warehouse Co., Chicago, on July 1, after having resigned as treasurer of the Tooker Storage & Forwarding Co., Chicago.

Mr. Lumpp was with Currier-Lee eleven years prior to 1925.

Col. Gerhardt Appointed Industrial Consultant of New York Port Authority

PHILIP L. GERHARDT, who recently resigned as a vice-president of the Bush Terminal Co., New York, has been retained by the Port of New York Authority as its industrial consultant. His immediate duties are in connection with the Authority's Union Inland Terminal No. 1, which, now under construction, will be the first of three massive clearing houses for less-than-carload freight—buildings which will be used by the eleven trunk railroads serving the metropolitan area.

The No. 1 structure, fifteen stories of fireproof steel and concrete, at Eighth Avenue and Fifteenth Street, on Manhattan Island, will contain about two

Philip L. Gerhardt



Former Bush Terminal vice-president now New York port industrial consultant

and a half million square feet of floor space, and Col. Gerhardt is consultant in association with construction, operating plans and solicitation of space on a rental proposition.

To set at rest any possible inference that some of the space might be used for Port-operated warehousing in competition with established storage plants, Col. Gerhardt has informed *Distribution and Warehousing* that the Port Authority, an interstate agency created by New Jersey and New York, will not go into the public warehouse business.

The inland terminal was described and illustrated in the October and November, 1929, issues of *Distribution and Warehousing*. It is expected to be ready for occupancy about March 1, 1932.

Col. Gerhardt is widely known in public warehousing. He was president of the merchandise division of the American Warehousemen's Association several years ago and had served on various committees, notably the one which standardized the warehouse receipt in cooperation with the Department of Commerce.

WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of *general interest* to the industry as a whole. No effort is made to publish complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

Container Car Service Is Aim of N. F. W. A.

Plan Will Be Outlined at
Mackinac Meeting

THE Interstate Commerce Commission's decision* prescribing minimum container car rates has served to place the question of these tariffs on a permanent basis, and the National Furniture Warehousemen's Association, which has been watching the situation closely, is planning to utilize this relatively new type of railroad service for transportation of household goods. "The opportunities for improved service appear so substantial that the containers are worthy of thorough trial," Commissioner Joseph B. Eastman said when the decision was announced. The N. F. W. A., purposing to take advantage of these opportunities, anticipates adapting the container to its members' long distance business, and by July 20, when the nationwide minimum rates become effective, hopes to have a household goods container car service ready for use. The plans will be explained in detail at the National's convention at Mackinac Island, Mich., July 14-19.

The proposed container car service is expected by its sponsors to benefit the National by restoring the more intimate member-contact founded on direct interchange of household goods loads between the warehouses in the various cities—a contact which was to a large extent diminished by the movement of such loads by motor truck. Thus would be strengthened the association's position, the membership becoming more valuable.

Inauguration of container service will not necessarily terminate the usefulness of the Allied Van Lines. This motor trucking agency will continue to function by taking care of the short hauls, largely within a radius approximating 300 miles. The container car service will be primarily for jobs moving long distances.

The container car arrangement is

being perfected by an N. F. W. A. committee working in cooperation with railroad officers and the L. C. L. Corporation, the latter owning a patented type of container which automatically locks when placed in the gondola car which carries it. The chairman of this special committee is F. L. Bateman, Chicago, president of the Trans-Continental Freight Co., and a past president of the National.

A conference at which preliminary plans were made was held at the Hotel Biltmore in New York on June 4-5. This was attended by Mr. Bateman; Martin

H. Kennelly, Chicago, the National's president; Ralph J. Wood, Chicago, the National's secretary; Henry Reimers, Chicago, the National's executive secretary; Barrett C. Gilbert, New York, president of the Allied Van Lines; Charles S. Morris, New York, one of the association's past presidents, and Clarence A. Aspinwall, Washington, D. C., a National director, all of whom are members of the committee; and John G. Neeser, New York, a National director.

Attending also was Graham C. Woodruff, vice-president of the L. C. L. Corporation. It will be recalled that Mr. Woodruff addressed one of the National's Mackinac summer conventions a few years ago, discussing container service and outlining the facilities of his company, but at that time the Allied Van Lines organization was in process of formation and the suggestion that railroad container cars be used in household goods transport did not meet with general favor. Today the situation has changed.

At the New York conference in June Mr. Bateman pointed out to Mr. Woodruff what the committee had in mind—a type of container to hold household goods in movement from warehouse to home, warehouse to warehouse, home to warehouse, etc., by rail, at less cost than movement by motor truck over long distances, with the container deductible as tare.

Under the arrangements being perfected the present merchandise container of the L. C. L. Corporation and one of similar character operated by the Pennsylvania Railroad will be used for the present until some new or special type of container can be developed.

The I. C. C. in its decision made public on May 1 stated that the minimum rates on goods moving in railroad container cars must be no lower than the contemporaneous third class rates on the

One Way to Avoid Red

MARTIN H. KENNELLY, president of the National Furniture Warehousemen's Association, recently told members of the Illinois Furniture Warehousemen's Association.

"It is far better to accept less business at a good price than to pack your warehouse at no profit. Anyone can give away space. But with a full house at a very small profit you have a much greater overhead and are quite likely to come out heavily in the red. On the other hand, by refusing storage unless at a fair profit you cut your overhead correspondingly and, while you still may land in the red, the chances are against it, and you may be sure that it will be a much smaller loss if it does turn out that way."

—Kenneth F. Keith.

*Summarized in June issue.

Drop-side car with
three sections down



Showing how a lift
truck is placed un-
der container

Two containers on truck



L. C. L. Corporation Equipment

net weight of the container, with these exceptions:

In no event shall the container rate be less than (1) the contemporaneous car-load rate on the highest rated commodity loaded in the container, and (2) the rate on the next class lower than the any-quantity rate on any commodity loaded in the container which is accorded an any-quantity rating in the governing classification.

The National plans in time to request the Commission for modifications of the tariffs to be applied by the railroads on July 20. At present, household goods move under second class, with 4000 pounds minimum. The National expects to appeal for a third class rating with the same minimum. Commissioner Eastman at the time of the Commission's decision was handed down called attention to the "experimental" nature of the container rates prescribed, and this might be interpreted as an indication that the Commission would authorize revisions based on experience.

Equipment

The equipment of the L. C. L. Corporation is being used by the New York Central and the Lehigh Valley under the present tariffs, while, as stated, the Pennsylvania has developed a container of a different type. These containers are not interchangeable by the different railroad systems and while it seems probable that eventually one container interchangeable to all lines would be desirable, nothing definite is known as to what development will take place in this respect. Until a type interchangeable to all lines is placed in service, other railroads may be expected to limit themselves to one or the other type.

The L. C. L. merchandise container is in two types—one for use with lift trucks and one requiring lifting cranes. Both could be used for household goods, the one necessitating lift trucks to be more generally utilized because crane equipment is not available at all stations.

The type with which lift trucks are used is a container car with sides composed of sections which correspond with

the containers as to number and size. Each section is hinged at the floor of the car so that it will swing outward and downward, filling the space between platform and side of car and acting, when lowered, as a gangplank or runway over which the container can be moved from car to platform or *vice versa*. The sections can be raised or lowered by two men and are provided with triple safety locks which make it impossible for a section to become lowered or loosened while in transit.

With the use of this type there is no necessity for investment in overhead cranes, as containers can be unloaded on, or loaded from, any platform by means of a lift truck either electrically or manually operated.

One of the important features of the drop-side car is its adaptability to local freight service, as freight for separate stations can be moved in individual containers and handled direct to its destination with greater dispatch and economy than is possible with the usual "way-freight" method of handling.

By means of a lift truck, containers are moved from the car onto a platform or truck and replaced without a lifting crane, and can similarly be removed from or placed on the truck at place of business of shipper or consignee. This type of container can, however, also be handled by crane when volume justifies expenditure for such a facility.

Some of the advantages to the shipping and receiving public as set forth by the L. C. L. Corporation are:

1. Elimination of claims for damage, as well as for loss from pilfering, as the container is burglar-proof at all times while on car, truck or platform.

2. Elimination of heavy and expensive crating and packing required in ordinary freight transportation, thereby effecting a material saving both in freight charges as well as in material and labor.

3. Goods reach customers without re-handling, as shipper does the loading and the consignee the unloading.

The container is 6 feet 8 inches wide inside and 7 feet 2½ inches outside; 7 feet 1 inch high inside and 9 feet 4½

inches outside; 8 feet 10 inches long inside and 9 feet ¾ inch outside. The door is 3 feet 5½ inches wide and 6 feet 3 inches high. The capacity is 417 cubic feet. The weight is 2967 pounds. The maximum load is 10,000 pounds.

The Pennsylvania Railroad has 1010 steel containers in service, each having a capacity of 10,000 pounds, and recently placed a \$1,500,000 order for 3250 more. The Pennsylvania's present service is operated between New York and the principal points in the road's eastern region as well as in the Pittsburgh, Columbus, Cincinnati, Indianapolis and Chicago areas.

Mr. Bateman and his committee are of the opinion that the container car is logically adapted for transportation of household goods destined to points more than 300 miles distant, and it may be stated that it is the purpose of the N. F. W. A. to use the railroads where it is economically a sound principle to do so.

—K. B. S.

Kressins Agree to Discontinue Use of the Name "Allied"

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

SETTLEMENT out of Court of a suit brought in the Supreme Court of the District of Columbia by the Allied Van Lines, Inc., controlled by the National Furniture Warehousemen's Association, against Robert, Ida and Maurice Kressin, of Washington, trading as the Allied Moving and Storage Co., has been announced here by Walter W. Hall, eastern regional manager of Allied Van Lines, Inc.

The suit was brought to restrain the Kressins from using a name in their business which resembled that of the Allied Van Lines, Inc. Mr. Hall said the suit was withdrawn after the defendants had agreed to discontinue the practice complained of.

The Allied Van Lines alleged "trickery

and artifice" by the Allied Moving and Storage Co. in efforts to obtain business of the Allied Van Lines. Accompanying its petition to the District Supreme Court the plaintiff filed a check which, it was alleged, had been accepted by the defendant as payment for services performed in handling a shipment from Washington to Philadelphia.

The check was made payable to Allied Van Lines, Inc., and was endorsed Allied Van Lines, Inc., with signatures of two of the Kressins below.

The plaintiff introduced also affidavits from persons who had telephoned the Allied Moving and Storage Co. inquiring if that was the office of the Allied Van Lines, Inc. The affiants said in each case they received affirmative answers to these queries.

Specifically, the Kressins agreed to discontinue use of the name Allied Moving & Storage Co., "or such other similar or kindred names as may likely cause confusion or lead the public to believe they are obtaining the assistance of Allied Van Lines, Inc." The defendants agreed also to discontinue listing in the Washington telephone directory the firm name of Allied Moving and Storage Co.

Mr. Hall said also he had lodged a complaint with the Federal Trade Commission asking for an order against the Kressins compelling them to discontinue alleged objectionable practices.

—Stephens Rippey.

Canadians' Western Meeting Dates Are Now July 24 and 25

ONCE more the Canadian Storage & Transfermen's Association has had to change the dates for its western regional convention. They have now been fixed as July 24 and 25—instead of July 20 and 21, as announced last month on the authority of the organization's secretary, E. A. Quigley, Vancouver.

Originally July 6 and 7 had been selected, but this conflicted with the Calgary Exhibition Stampede, July 6 to 11. July 20 and 21 were then announced, but it transpired that the Saskatoon Exhibition would be held beginning July 20. These are popular affairs in western Canada, so it was decided to choose July 24 and 25 for the warehousemen's assembly.

The place is the same as at first selected—Jasper Park Lodge, Jasper National Park, Alberta.

The new dates, July 24 and 25, will enable Canadian executives to attend the summer convention of the National Furniture Warehousemen's Association, at Mackinac Island, Mich., July 15 and 18. Announcement is made that George H. McKeag, Winnipeg, the Dominion organization's president, will attend the National's gathering.

George S. Peacock, Regina, has canceled his trip to the international Rotary convention, in Austria, in order to preside at the session of the cold storage division, of which he is chairman. Also attending the Jasper meeting are expected

Cold Storage Rules Revised

DISTRIBUTION AND WAREHOUSING'S Washington Bureau, 1163 National Press Building.

A REVISED set of trade practice rules has been submitted to the commercial cold storage industry by the Federal Trade Commission with a few suggestions for minor changes. The industry has been given sixty days from June 3 in which to approve the rules and return them to the Commission, when they will become effective.

The revised rules sent the cold storage industry were one group of rules out of eighty returned to as many industries by the Commission for approval.

No official of the Commission would comment on the revised rules other than to say that only minor changes had been suggested. The rules, it was said, will not be made public until they have been returned to the Commission as accepted by the industries.

—Stephens Rippey.

delegates from Prince George, Victoria, Vancouver, Edmonton, Calgary, Medicine Hat, Moose Jaw, Regina, Saskatoon, Yorkton, North Battleford, Brandon and Winnipeg.

California W. A. Elects Fessenden Its New President

THE eleventh annual convention of the California Warehousemen's Association, held in San Francisco on May 28-29, was attended by about a hundred executives from all parts of the State, and a constructive program for the coming year was outlined.

The new president is W. E. Fessenden, president of the California Warehouse Co., Inc., succeeding A. T. Gibson, president of the Lawrence Warehouse Co., San Francisco.

The vice-presidents were continued in office—central division, Henry F. Hiller, president San Francisco Warehouse Co., San Francisco; Sacramento Valley division, W. E. Hibbitt, president Lawrence Warehouse & Distributing Co., Sacramento; San Joaquin Valley division, Alvin Turner, Grange Warehouse & Storage Co., Modesto; coast division, E. P. Marshall, Santa Maria Valley Warehouse Co., Santa Maria; southern division, E. B. Gould, San Diego, president Lyon Van & Storage Co., Inc.

The secretary, Leon A. Bailey, San Francisco, was elected for his eleventh consecutive term, and Mr. Hiller was reelected treasurer.

The directors are: northern district,

W. P. Dwyer and W. E. Hibbitt, Sacramento; T. W. Brown, Woodland, and W. E. Jones, Central district, A. T. Gibson, Henry F. Hiller and J. W. Howell, San Francisco; Fred D. Parr, Richmond, and Frank A. Somers, Valley district, E. B. Powers, Manteca; Alvin Turner, Modesto, and Philip O'Connell, Coast district, Homer N. Duffy, Santa Barbara; E. P. Marshall, Santa Maria, and W. H. Dillon, San Francisco. Southern district, E. B. Gould, San Diego, and E. S. Stanley, LeRoy D. Owen, B. F. Johnston and W. E. Fessenden, all of Los Angeles.

The subject of warehouse receipts as collateral was given careful analysis by the convention with the result that studies are to be made during the ensuing year to ascertain what actions, if any, would improve the conditions under which warehouse receipts are used for trading purposes as well as their use as collateral in connection with bank loans on staple commodities having ready markets for consumption. The convention was given valuable insight into all the ramifications of this problem in an address by W. O. Wolcott, of the Department of Agriculture, Sacramento, on the subject, "Warehouse Receipts as Collateral, from Government Viewpoint"; and in an address by Richard W. Young, general counsel of the Federal Land Bank, Berkeley, on the subject, "Warehouse Receipts as Collateral, from the Banker's Viewpoint."

The convention decided to give some study during the next year to the question of advertising to eastern shippers the unlimited possibilities of reaching the Pacific Coast markets through the use of California terminal warehouses as points of western distribution. It has been felt that while the American Warehousemen's Association has been carrying on a national advertising campaign, the warehousemen of California could well afford to extend in some way this publicity with a view of bringing to the notice of eastern shippers the particular place that California occupies as a distribution center by reason of its removed distance from eastern manufacturing localities.

It has been suggested that these manufacturers have not all been fully advised of the marketing attractions of the Pacific Coast that is brought within easy reach through the service of warehouse distribution offered on the Pacific Coast and that particularly trade associations whose members deal in commodities of common storage would no doubt mail their respective memberships the information that could be developed by the California warehousemen that would accentuate the economies possible by the use of warehouse service in stimulating selling campaigns.

Reports from the members as to business outlook indicated promising prospects for the future, with some tendency, however, toward a shortage of this season's production in agricultural products due to drought conditions experienced in the spring.

The convention next year will be held in Los Angeles.

—S. Lewis Brevit.

Foster Is New President of the Illinois F. W. A.; License War in Progress

THE Illinois Furniture Warehousemen's Association at its recent annual meeting, held at the Palmer House in Chicago, elected officers and directors as follows:

President, L. N. Foster, president Garfield Park Storage Co., Chicago.

Vice-president, Walter P. Thiebault, vice-president Hebard Storage Warehouses, Chicago.

Secretary, Joseph A. Hollander, secretary Hollander Storage & Moving Co., Chicago.

Treasurer, Joseph L. Corcoran, vice-president Evanston Fireproof Warehouse, Evanston.

Directors, Martin H. Kennelly, president Werner Bros.-Kennelly Co., Chicago; A. W. Reebie, vice-president W. C. Reebie & Brother, Inc., Chicago; W. S. Conklin, manager Jackson Storage & Van Co., Inc., Chicago; A. W. Meyer, treasurer Federal Fireproof Storage Co., Chicago.

Mr. Thiebault brought up the subject of the new Wisconsin law making it compulsory for vans, trucks, etc., moving into Wisconsin to procure Wisconsin licenses, and it was voted unanimously to seek to have the National Furniture Warehousemen's Association and the Allied Van Lines and the Illinois association cooperate with Illinois State officials to stop arrests of warehouse truck drivers entering Wisconsin.

—Kenneth F. Keith.

The old spectacle of lack of reciprocity looms large in a battle now being waged by Wisconsin under a law which, effective May 29, compels operators of motor trucks from other States to apply for Wisconsin license plates, the cost approximating \$210 a plate.

Illinois is retaliating against Wisconsin vehicles. Late in June the Illinois-Wisconsin border faintly resembled a battlefield, with Illinois police stationed on one side warning Illinois trucks not to cross into Wisconsin, and Wisconsin authorities on the other side exhorting Wisconsin drivers to keep out of Illinois.

Two Chicago executives, Harry H. Hiland, president of the Interstate Trucking Co., and L. R. Alexander, head of the Chicago & Milwaukee Transportation Co., have appealed to the Wisconsin Supreme Court for a ruling on the validity of the law. This appeal was made after fines had been imposed on Illinois drivers by a Milwaukee Municipal Court, this ruling subsequently being sustained by a District Court. Attorneys for the plaintiffs contend that the Wisconsin statute violates the interstate commerce Act.

Ryan Again Heads Washington M. F. A.

AT the annual meeting of the Washington Motor Freight Association, with which warehouse executives are identified, Joseph G. Ryan, president of the

Pacific Highway Transport, Seattle, was reelected president. R. H. Culbertson, Tacoma, resigned as secretary-manager and it was announced that his successor would be named by the board.

S. W. Northcutt, Tacoma, was named first vice-president; Gover Ealy, Spokane, second vice-president; and C. G. Lund, Lynden, third vice-president. Trustees chosen are Daniel Walker, Aberdeen; Asel Strain, Seattle; S. Stenson, Redmond; L. D. Conrad, Seattle; George B. Estes, Seattle; Ray Culbertson, Tacoma, and A. E. Byrum, Yakima.

Powell Is Elected President of the New York State W. A.

AT the annual meeting of the New York State Warehousemen's Association, held at Lake George on June 19-20, officers and directors were elected as follows:

President, Joseph W. Powell, president Cold Spring Storage Co., Inc., Buffalo.

Vice-president, Harper A. Holt, secretary Bush Terminal Co., New York City.

Secretary-treasurer, William T. Bostwick, president Thomas J. Stewart Co., New York City.

Directors, the foregoing and the retiring president, H. E. S. Wilson, president Campbell Stores, Hoboken, N. J.; John D. White, president Chas. D. Strang, Inc., Brooklyn; T. A. Adams, Sr., chairman Manhattan Refrigerating Co., New York City; J. H. Coughlin, manager Lee Brothers, Inc., New York City; Benjamin F. Kirschenbaum, secretary Neptune Fireproof Warehouse, New Rochelle; John G. Neeser, president Manhattan Storage & Warehouse Co., New York City; R. M. King, president King Storage Warehouse, Inc., Syracuse; A. C. Rice, president A. C. Rice Storage Corp., Elmira; Harold A. Sours, proprietor Sours Carting & Storage Co., Rochester; U. C. Leckinger, manager B. R. & P. Warehouse, Inc., Rochester; John Glenn, assistant to president O. J. Glenn & Son, Inc., Buffalo; Charles F. Cook, secretary Dye Fireproof Warehouse, Inc., Buffalo.

Packing Standardization Resolution Is Tabled by New York Furniture W. A.

THE New York Furniture Warehousemen's Association at a recent meeting voted to table a resolution offered by the better business methods committee, reading:

"Resolved, that the packing on house to house removals shall be charged on the unit basis for barrels and boxes, charge to include packing and unpacking, and the use of necessary material. For any additional packing, the charge is to be by the hour plus a charge for material. Where material is supplied for use in a house to house removal and no packing is done by a member of this association, the charge is to be made for such material; no credit or allowance is to be given under any circumstances for

any material which had been used and was returned. This is to apply on all work done on Manhattan Island below 135th Street."

Executives opposing the resolution appeared to feel that while the principle of simplifying methods of charging customers was to be approved, the general business conditions at this time did not warrant any changes or further restrictions in the methods of doing business.

N. F. W. A. Invited to Washington

At the June meeting of the Washington (D. C.) Warehousemen's Association a resolution was adopted inviting the National Furniture Warehousemen's Association to hold its 1932 winter convention in the national capital. The national Washington bi-centennial celebration will center in Washington next year.

National Truck Meeting

The annual convention of the National Team & Motor Truck Owners' Association, Inc., will be held at the Hotel Chelsea in Atlantic City, N. J., on July 13 and 14.

D. J. McHugh of Cincinnati is president of this organization, which includes warehouse executives in its membership.

Central Illinois Chooses Gosline as New President

THE Central Warehousemen's Association of Illinois held its annual meeting at the Faust Hotel in Rockford on June 15-16 with fifty-three per cent of the membership represented by delegates. Officers were elected as follows:

President, N. B. Gosline, secretary Rock Island Transfer & Storage Co., Rock Island.

Vice-president, Archie S. Richards, proprietor Sovereign Storage & Van Co., Rockford.

Secretary (reelected), Russell E. Hillier, partner Hillier Storage Co., Springfield.

Treasurer (reelected), A. W. Hillier, partner Hillier Storage Co., Springfield.

Executive committee members, the retiring president, E. L. Valentine, secretary Thompson Transfer & Storage Co., Aurora, and C. B. Hall, president Danville Transfer & Storage Co., Danville.

The next meeting will be held in Galesburg on Oct. 12-13.

The report of Russell E. Hillier showed a membership of 30 firms as of June 15 and that attendance during the year had averaged 62 per cent.

"In these times of unsatisfactory business," Mr. Hillier told the delegates, "you should stand together, as a bulwark against unprofitable, unethical and foolish practices. You should be willing to follow the leaders of the industry and accept wholeheartedly and enthusiastically such ideas that have at heart the success of the industry."

"You know that competition is as keen

today as it has ever been before. In order to take advantage of this competitive situation each and every one of you should bend every effort toward increasing your revenue. Therefore, concentrate on developing your services and reducing your costs of operation. Each member should make *service* his watchword. Each member should require that his patrons receive a courteous service which is consistently better than that of his competitors."

The association went on record as recommending to the association relations committee of the National Furniture Warehousemen's Association that only one National meeting be held each year and that it be concurrently with that of the American Warehousemen's Association.

Elmer Erickson, Chicago, general president of the A. W. A., addressed the convention banquet.

At the Allied Van Lines, Inc., round table meeting Mr. Valentine was elected chairman and L. L. Hamman, secretary Hamman Bros. Transfer & Storage Co., Decatur, was chosen secretary. Henry Reimers, Chicago, executive secretary of the N. F. W. A., outlined the National's plans for railroad container car service.

Schumacher Heads Staten Island VOA

AT the third annual meeting of the Staten Island Van Owners' Association, on Staten Island, N. Y., William Schumacher, Stapleton, was elected president; William Koerner, of Koerner Bros., Clifton, vice-president, and Joseph Drennan, Pleasant Plains, treasurer.

Clare H. Brown, Jr., of the Richmond Storage Warehouse & Van Co., West New Brighton, was reelected secretary.

A review of the past twelve months showed decreased activity corresponding closely with that of the building trades, according to reports submitted, but the advent of apartment house building is expected to be a boon to the van owners because of their "restless and rather transient dwellers."

Notwithstanding the meagre volume of work available the association has been able to prevail in its efforts to keep all local moving on the hourly basis. The members agreed that the association has proved itself a keystone of better business.

Shoemaker Appointed

J. R. Shoemaker, president of the Hygeia Refrigerating Co., Elmira, N. Y., has been appointed a member of the executive committee of the cold storage division of the American Warehousemen's Association. He succeeds W. M. Mason, Providence, R. I., resigned.

Callis Agent for Bekins

R. M. Callis of the R. M. Callis Transfer Co., Lompoc, Cal., has been appointed local manager and representative of the

Bekins Van & Storage Co., operating household goods warehouses in various Coast cities.

Ario-Rosman Merger

Rudolph Ario of the A. & R. Iron Works and A. Rosman of the Removal Steel Bodies Co., both in Brooklyn, have merged their interests and the new company is the Ario & Rosman Metal Body Corporation, located at 426 DeWitt Avenue, Brooklyn. The firm has acquired a larger plant with modern equipment for the manufacture of all types of steel and aluminum bodies and containers and patented roll-off equipment. The two executives are pioneers in the roll-off equipment business, which is widely known in warehousing.

Aspinwall Begins and Ends a Bridge Mystery

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

CLARENCE A. ASPINWALL, president of the Security Storage Co., parked his automobile in the middle of the William Howard Taft Bridge one evening, recently, and when he returned to get it he was greeted by policemen and hundreds of passers-by who had been searching for his body.

The car of the warehouse executive, a director of the National Furniture Warehousemen's Association, developed ignition trouble while crossing the span which has been the scene of many suicide leaps. He left the car and walked to his home, nearby, to telephone a garage. Someone telephoned the police, who hurried to the spot in scout cars and afoot.

When Mr. Aspinwall returned he was forced to wade through the excited throngs of curiosity seekers, cops and ambulance surgeons to convince all concerned that he was the "body" being sought and that he was sorry to have caused so much difficulty.

Robert C. McClellan.

Business Pick-Up Noted

According to W. H. Glanzman, manager of the household department of the Los Angeles Warehouse Co., the lowest ebb in the business depression has been reached and within the past two months a pick-up has been noted in inquiries regarding both east and west shipments, while there has been an increase in the number of cars of merchandise consigned to Pacific Coast points.

Lincoln, Neb., to Have New \$300,000 Public Warehouse

A PUBLIC warehouse costing \$300,000 will be built at once between 16th and 17th streets on W street, Lincoln, Neb. It will be owned and operated by the Union Terminal Warehouse Co., which has just filed articles of incorporation with the Nebraska Secretary of State. Charles Stuart, George P. Abel, Morris Freshman and Jean R. Kinder, all prominent Lincoln business men, are the incorporators.

The authorized capital stock of the new corporation is \$300,000, which is the estimated cost of the warehouse. Purchase price of the half-block of ground on which it will be erected will bring the total amount of the investment close to \$400,000. The warehouse will be 150 by 380 feet and three stories high. Details of plans for the building are still in the hands of the architect, but excavation has already been started. An effort will be made to have the building completely finished by the time of the Nebraska State Fair in September, according to Mr. Stuart.

While the warehouse will be equipped with special loading and unloading devices for trucks, it will also have access to trackage. It will cover as much ground as any other building in the city of Lincoln.

Designed to serve as a public bonded warehouse, the structure will be more than the ordinary storage plant, Mr. Stuart declares. Architects will give the building definite external character and are planning internal features which will embody the most modern improvements in warehouse construction.

Kilos Into Pounds

"Conversion of Kilos Into Pounds and Pounds Into Kilos" is the title of a 16-page booklet which has been issued by the Cunard Steamship Company, Ltd., New York, and which should benefit shippers and warehousemen identified with export and import trade.

A copy may be had, without charge, by addressing C. W. Kenick, Cunard's general freight manager, 25 Broadway, New York City.

Argentine Ruling

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

THE Argentine Government has adopted a plan for ridding the customs warehouses of "immovable" merchandise. The Government issued a decree on May 26 providing that merchandise stored in customs warehouses will automatically be sold at auction after each six months, unless renewal is requested and past storage paid.

This information was received by the Department of Commerce from Commercial Attaché Alexander V. Dye, at Buenos Aires.

—G. H. M.

I. C. C. Ruling Adverse to Warehousing in the Port Storage Inquiry

(Concluded from page 14)

practice is uniform, it is difficult to see how it could have any such result. Again the majority have failed to apprehend the issue.

"It is stated by the majority, also, that a division of the Commission has found that this service is not within our jurisdiction. Apparently this conclusion is approved. I assume that it is meant that we have no jurisdiction to fix the level of such charges. With this I do not agree, for reasons stated in a dissenting opinion in connection with the prior report. Having reached such a conclusion, it is the duty of the majority to see to it that the property used for such service is eliminated in our valuation report from carrier property, and that the expense incident to the service is eliminated from railroad operating expense. However, for present purposes I regard this jurisdictional question as immaterial. Certainly we have jurisdiction to consider the absence of dockage charges from the standpoint of the Elkins Act and also from the standpoint of economical and efficient management.

"Demands Explanation"

"That the absence of such charges results in violation of the Elkins Act is not so clear as the fact that inadequate storage charges so result. In the case of dockage, the direct concession is to steamships, and whether or not it results in an indirect concession to the shippers over the rail lines who also use the steamships has not been established, although it may well be that it does. I prefer to consider the issue from the standpoint of economical and efficient management.

"That a valuable service is rendered by the railroads in providing dockage is clear, and it is conceded that no charge is exacted for this valuable service. This situation manifestly demands explanation, but it has not been explained of record. The majority attempt some measure of explanation in connection with the provision of free lighterage service, but it will be noted that this explanation is attributed to counsel and not to witnesses. As counsel stated on argument, 'None of that is in the record.'"

Shipping Cases for Canned Goods Are Being Simplified

A GENERAL conference of representatives of manufacturers, distributors and users of paperboard shipping cases, held under the auspices of the Division of Simplified Practice of the Bureau of Standards, Department of Commerce, in Washington, on May 29, approved a simplified practice recommendation covering the dimensions and unit of pack for paper board shipping cases used in packing canned fruits and vegetables.

The recommendation establishes a list of 41 different sizes of paperboard shipping cases used in packing the 27 simplified sizes of cans as approved by a general conference on Jan. 30, and which is now before the industry for acceptance. It was further recommended that the maximum number of cans packed per case for the 27 simplified cans be not more than 48.

The appointment of a representative standing committee periodically to review the simplified practice recommendation was also authorized by the conference.

Subject to written approval by the industry, the recommendation is to be effective next Jan. 1.

Hiller Identified With New 'Frisco Company to Operate State Terminals

WITH Henry F. Hiller, president of the San Francisco Warehouse Co., as vice-president, the State Terminal Company, Ltd., has been organized in San Francisco to operate the State Products Terminal, which the California Board of State Harbor Commissioners on June 1 turned over to the new firm.

The State Terminal Company, Ltd., is operating also the State Refrigeration Terminal, another California - owned project.

The president of the new operating company is H. B. Mills, long prominently identified with Pacific Coast shipping and exporting.

Announcement is made by Mr. Hiller that A. V. Mattingly, traffic manager of the State Products Terminal, will continue in the same capacity.

Factors Which Cause Change from Public to Private Storage

(Concluded from page 24)

large city is in line with this trend.

Despite the fact that a number of warehousemen throughout the country feel they need not concern themselves with this loss of volume business, the tendency, it must be admitted, presents a real problem for the industry.

In a later article the answers to the second question which was asked warehousemen will be considered and some suggestions will be offered designed to prevent manufacturers leaving public warehouses for private storage because of increased volume or for any other reason.

National Removes

Announcement is made by Frank J. Tully, general agent of the eastern division of National Warehousing, Inc., that National's New York office has been removed from 296 Broadway to the Independent Warehouses, Inc., 415 Greenwich Street.

Package Delivery Service Is Swift Firm's Side Line

(Concluded from page 25)

If the public in thirteen years had failed to learn that a moving and storage concern was operating in Denver under the name of Swift, there are few not aware of the fact now. The Swift trademark, a diamond enclosing the name, has been on the streets of the downtown section continuously for three months, the curious construction of the pick-up truck, with four men busy behind the windows, inspiring thousands of queries as to the nature and identity of the business it represents.

Incidentally the pick-up truck has a history. Casting about for a conveyance which would suit his purpose, Mr. Mayer happened on information that there was available in Denver a truck which had served as a traveling grocery store for a chain organization which had suspended operations. This vehicle has traveled the streets selling groceries at the curb. It was replenished throughout the day by a fleet of feeder trucks. When Mr. Mayer came into possession of the conveyance he reversed the former process by having the truck serve as a feeder for the delivery fleet.

Coverage

At the present time an average of forty packages are transferred to each delivery car from the pick-up truck every hour and a half throughout the day. The feeder cars cover every section of the city and the suburban districts of Denver.

Scobey Company Will Operate Austin House

The Scobey Fireproof Storage Co., San Antonio, has taken a lease on a two-story business building to be erected in Austin at a cost of \$40,000, and will operate it as a warehouse. It is expected that the structure will be completed and ready for business about Sept. 1, and that R. E. Moss, now of the San Antonio office of this firm, will be placed in charge.

The Scobey Fireproof Warehouse Co. of Austin has been organized to operate the Austin property. It has been incorporated with a capital stock of \$25,000, and the incorporators are N. S. Von Phul, president; S. G. Nelson, chairman of the board, and O. E. Latimer, secretary.

Emig with Powelton

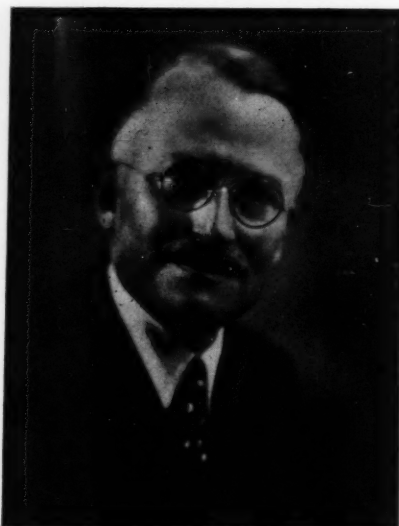
George A. Emig has resigned as secretary-treasurer of the Atlas Storage Warehouse Co., Philadelphia, and has taken over the business of the Powelton Co. in the same city.

The Powelton firm is no longer engaged in the storage and moving business, it is announced by Mr. Emig, but only in the handling of new and slightly used furniture.

**Charles H. Moores,
Warehouse Engineer,
Dies at Age of 57**

CHARLES HENRY MOORES, widely known in warehousing as architect and engineer, died on June 7, after a heart attack, at his home in Astoria, Long Island, N. Y. Among the storage buildings which he designed are the Canadian Rail and Harbour Terminals, Ltd., Toronto; the Montreal Rail and Water Terminals, Ltd., Montreal; the portovault warehouse of Day & Meyer, Murray & Young, Inc., New York City, and a large number of household goods, merchandise and cold storage plants in various parts of the country.

A registered architect and engineer, Mr. Moores was in his fifty-eighth year. With Samuel Dunford he organized the firm of Moores & Dunford, Inc., since dissolved, and later formed the Charles H. Moores Company, which recently merged with Fletcher-Thompson, Inc.,



Charles H. Moores, architect and engineer who died June 7

Bridgeport, Conn., the Moores firm becoming a subsidiary but retaining its own name.

Mr. Moores was a Spanish-American War veteran and during the World War was a United States Army captain, in charge of military administration in Canada. He was a member of the Society of American Military Engineers; the Western Society of Engineers; the Transportation Club of New York; Eastern Star Lodge No. 75, F. & A. M., and the Ancient Accepted Scottish Rite, Valley of Chicago. He maintained a winter home in Davenport, Fla.

Mr. Moores is survived by his widow, who was Miss Lily M. Ober, and by Mrs. Marion M. Hilton, his daughter by his first wife.

H. C. Leeson

Harry Cecil Leeson, assistant manager of the Rowe Transfer & Storage Co.,

Knoxville, Tenn., died in June in Montgomery, Ala., after an attack of acute indigestion. He was 41 years old.

Widely known in Knoxville business circles, Mr. Leeson was a director of the Southern Warehousemen's Association and was a member of the National Furniture Warehousemen's Association. He had been with the Rowe firm since 1910.

G. D. McLaughlin

George D. McLaughlin, secretary of Wakem & McLaughlin, Inc., a Chicago merchandise warehouse company, was killed recently when an automobile in which he was riding collided head-on with another car near Lake Forest, Ill. His wife and their daughter Harriet were slightly injured. The coroner's inquest developed testimony that the other car had skidded and swerved to the wrong side of the highway. The McLaughlins were on their way to the family home at the time.

Mr. McLaughlin, who was 67 years old, was a son of W. F. McLaughlin, founder of W. F. McLaughlin & Co., wholesale coffee and tea merchants. He and his brother, Major Frederic McLaughlin, whom Irene Castle married, took over the firm's management after their father's death in 1905.

Mr. McLaughlin was a member of the merchandise division of the American Warehousemen's Association, the Illinois Association of Merchandise Warehousemen, the Chicago Association of Commerce and numerous clubs. He is survived by his widow, a daughter and three sons.

W. L. Hallett

Wellington L. Hallett, president of the Haywood Transfer Co., Hoyt & Parker Wool Transfer Co. and Theatrical Transfer Co., Boston, died on May 28, at the age of 80, at his home in Brookline, Mass. In his youth he was widely known as a professional polo player.

W. D. Willett

Walter D. Willett, head of the Willett Company, Chicago, one of the largest hauling and teaming organizations in the world, died in a Chicago hospital on June 10 after an operation for appendicitis. He was 51 years old.

J. C. V. Christensen

John C. V. Christensen, chief designer of the \$50,000,000 Cincinnati Union Terminal project, died at Ocean Grove, N. J., on June 16, in his fiftieth year.

Flagg Joins Mayflower

The Flagg Storage Warehouse Co., Syracuse, N. Y., has been appointed Syracuse agents for the Aero Mayflower Transit Co., long distance movers by motor trucks, it is announced by William J. Connor, secretary of the Flagg organization.

**Kendall Is President
of Yellow Vans Group**

AT a recent meeting of Yellow Vans Associated, in Santa Barbara, Cal., Jackson W. Kendall, manager of the Crown Transfer & Storage Co., Pasadena, was elected president, succeeding Merle E. Turner, recently resigned from the Los Angeles Warehouse Co.

Arthur J. Gatter, general manager, succeeded Mr. Kendall as secretary and now holds both offices.

Officers of this warehouse transportation group stated that the exchange of business between members was increasing, as was the reciprocal relations with eastern storage firms. It was reported that the Y. V. A. was returning to eastern warehouses about 60 per cent of the total tonnage being transported to Pacific Coast points.

Y. V. A. recently added to two members—the Stockton Transfer Co., Stockton, and the Triangle Transfer & Storage Co., San Diego.

**Motor Freight Terminals
in Memphis and Cleveland**

New motor freight line terminals continue to provide competition for established warehousing.

In Memphis, Tenn., the United Motor Freight Terminal, comprising the Red Ball Truck Lines, the E. A. Harris Truck Line and affiliated interests, has erected a storage warehouse and terminal at Webster Street and Georgia Avenue and plans extensions and improvements.

In Cleveland, Ohio, the C-C-C Highway & Motor Freight Co. plans to use as a storage warehouse and freight terminal a \$75,000 one-story and two-story building, 40 by 130 feet, to be erected at East Twenty-second Street and Orange Avenue.

**Motor Transport
Merger Announced**

A \$2,000,000 merger of motor truck transportation companies operating largely in Ohio and Indiana was announced on June 6 by the Lincoln Company, an investment house in Evansville, Ind. The combination, known as Columbia Motors, Inc., will make its headquarters in Toledo.

Columbia's president is Frank C. Schmidt, president of the Liberty Highway Co., Toledo. The vice-presidents are M. S. Denny, vice-president of the Denny Motor Transfer Co., New Albany, Ind., and P. J. Altherr, Dayton, Ohio. Glenn Ward, Columbus, is treasurer and E. DeMaria of Columbus is secretary.

Mrs. Keyser Recovering

Mrs. Malcolm A. Keyser, wife of the president of the M. A. Keyser Fireproof Storage Co., Salt Lake City, Utah, is recovering from a recent operation. Her illness compelled her to defer a trip to Europe.

Government Business Survey Traces Gradual Improvement Month by Month from Jan. 1

(Concluded from page 11)

After adjustment for normal seasonal variation, the April index stood at 105—less than 5 per cent below the high level of April, 1929."

"The *Survey of Current Business* was inaugurated in 1921 by Mr. Hoover, at that time secretary of commerce, with the purpose of presenting each month a picture of the business situation by setting forth the principal facts regarding the various lines of trade and industry. The chief function of the *Survey* is to bring together these data which are obtained from hundreds of different official and unofficial sources so that the business man may have convenient access to the facts about business. During the decade the amount of data has been gradually increased from less than 500 to some 2000 items, covering every phase of American business and industry.

Three-Fold Service

"With a view to making the *Survey of Current Business* of greater practical value to the business men of the country and to others interested in the factual guidance of American business and industry, a great deal of study has been given during the past few months to available material, to its proper interpretation, and to a method of presentation which will place this Government publication in a position of utility. Editors, publishers, business executives, Government officials and many others experienced in the use of statistics have extended their wholehearted cooperation. With the June issue of the *Survey* the results of these studies have been put into operation. The complete *Survey* will consist of a three-fold service to business men:

"A monthly summary which will contain brief articles on the trends in the various fields of business and industry, prepared by specialists on the staff of the Division of Statistical Research of the Bureau of Foreign and Domestic Commerce, which articles will be supplemented by monthly data on some 2000 items covering every phase of American business and industry; an annual supplement to the *Survey*; and a weekly supplement to the *Survey*, which brings to the business man the weekly and monthly data which have become available currently."

With this added service the Department of Commerce, in Mr. Cooper's opinion, has made large strides in placing before the business man the facts upon which to build for the future.

Oakland Firm to Build

The Howard Terminal Corporation, Oakland, Cal., has completed plans for a \$40,000 one-story brick and steel-frame warehouse to be erected at First and Market Streets.

Bragg on Broadway

The H. N. Bragg Forwarding Co., Inc., organized in New York some months ago by Herbert N. Bragg to do an export and domestic forwarding business, has removed to larger quarters in the General Motors Building at 1775 Broadway.

The firm was formerly located at 103 East 125th Street in a building of Lee Brothers, Inc.

Johnson Promoted

F. L. Johnson, for the past five years assistant manager of the Pacific Coast Terminal Warehouse, Los Angeles, has been made general manager following the withdrawal of Charles G. Munson as president and operating executive.

R. H. Arnold is now the firm's president.

Overworked (?)

Estimator Peers Into the Future

(Concluded from page 36)

not pass through. He described the contents of the kitchen and I accepted his word as to that.

I advised him as to the usual procedure regarding cartage and packing, quoting prices, and quoted also the price for storing one and one-half vanloads of furniture, at prevailing rates. I suggested proper methods for caring for his rugs, arranged to secure his signature to contract, and accepted his order, booking it for a definite date. Thanking him, I said goodbye and hung up.

Followed four other calls in rapid succession, number X-82-C appearing as in the first one. The television was complete in each instance and all of the orders were secured without difficulty.

Was I happy! I had taken what I supposed to be the first set of orders ever handled by means of Television.

I had finished a good day's work. Visions of my manager's looks and words of approval, when he heard of what I had accomplished, were uppermost in my mind.

But what was it? A feeling of something amiss would prevail. Frankly I was bothered. I came to life. Starting to transcribe my orders, I found to my dismay that I had failed to obtain a name or address from any one of my prospects. So passed a full hour of earnest effort. Television was a washout so far as I was concerned.

"Wake up, Dad. Breakfast is served."

Chicago-Milwaukee Container Car Situation Involved in a Petition Filed with I. C. C.

(Concluded from page 41)

to operate on the required rate basis," the petition reads.

"Should petitioner withdraw from the traffic there could be no benefit accruing to other persons, localities or descriptions of traffic, because a comparable service at the same or similar rates would still be available on the North Shore Line. The only effect would be that the North Shore Line would be without rail competition so far as this traffic is concerned.

"In this connection petitioner desires it to be understood that rates applying on this traffic between Chicago and Milwaukee in its opinion are not adequate for container service, or for any other service, but, as already indicated, petitioner could not operate on a rate basis higher than that contemporaneously maintained by the North Shore Line.

"Wherefore, petitioner prays that after appropriate proceedings have first been had, an order be entered and served requiring the North Shore Line to bring its practices and rates in conformity with the report and order herein, and that until that is accomplished petitioner be permitted to engage in the traffic between Chicago and Milwaukee on a competitive basis, and that the Commission enter such order or orders as to it may appear just in the premises."

—Stephens Rippey.

It is suggested that the outcome of the foregoing case will be watched with interest by members of the National Furniture Warehousemen's Association in view of the latter's plans (see page 52) to make use of container car service in household goods transportation.

Hartford Firm Does 100-Ton Removal Job

The Hartford Despatch & Warehouse Co., Hartford, Conn., recently handled another big local job—transferral of the United States Veterans' Bureau Offices from the American Industrial Building on Main Street, Hartford, to the new Veterans' Hospital in Newington, Conn.

This week-end removal, done with a fleet of twenty-four trucks, involved more than 100 tons of office files, desks, chairs, safes, etc., valued in excess of \$6,000,000. The cargo went forward under the guard of State police authorities.

J. W. Connelly, the firm's vice-president, supervised the work.

Loeb Honored

A. L. Loeb, vice-president and treasurer of the Southeastern Bonded Warehouses, Atlanta, has been elected first vice-president of the National Georgia Tech Alumni Association, of which "Bobby" Jones, retired golf champion, is president.

Fitz Company Under New Ownership with Greenquist Manager

THE ownership of the Francis Fitz Co., a merchandise storage firm twelve warehouses on Pittsburgh Street and Stillings Street, Boston, has changed hands but will continue to operate under the same name and with virtually the same personnel.

H. S. Richardson is the company's new president, E. W. Cobb is treasurer and A. F. Pote is vice-president.

Alfred N. Greenquist, vice-president and general manager, was formerly for thirteen years with the Quincy Market Cold Storage & Warehouse Co., Boston, in various capacities, and for the past three years has been with the Charles River Stores.

The W. F. Cobb & Son Co., probably Boston's oldest trucking firm, having been established in 1830, has become affiliated with the Fitz organization.

The Fitz company was established in 1872 and incorporated in 1908. It is a member of the Massachusetts Warehousemen's Association.

Charles N. Fitz, who was president and operating executive and whose father founded the business, died on Jan. 10.

Death Removes Mrs. C. R. Saul

MRS. CHARLES R. SAUL, wife of the president of the Columbia Storage Warehouse, New York, died on June 4 from heart trouble after an illness of about six months. Mr. and Mrs. Saul would have been fifty-three years married on Sept. 5.

The Methodist minister who married Charles R. Saul and Alice E. Stroud in Reading, Pa., in 1878, officiated at the funeral services. Now retired, at the age of 87, the Rev. Dr. J. Richard Boyle went to New York from Cornwall, Pa., to say the last words.

It was seven years after their marriage that Mr. Saul started in the warehouse business, then with an East Side location, and for ten years Mrs. Saul operated the office while her husband was outside man.

Mrs. Saul is survived by her husband; their daughter, Mrs. Lulu M. Montgomery, and three grandchildren.

Would Compel Protection

The California Van & Storage Association has petitioned the Transcontinental Freight Bureau to make it a requirement that all furniture and upholstered pieces with surfaces liable to damage be protected by wrapping or crating or boxing.

Harper Terminals Formed

Harper Terminals, Affiliated, has been organized in Hackensack, N. J., by Harry C. Harper, a Republican State senatorial candidate, and his brothers,

Roger Harper and Walter Harper, to operate a merchandise warehouse and trucking business.

The new organization has purchased, for a reported price of \$300,000, the Campbell Wall Paper Co. building on Main Street.

The property includes nine-acres of land, part of which will be leased for light manufacturing purposes.

Gets Money in Advance

The Westheimer Transfer & Storage Co., Houston, has adopted a policy of getting its money in advance on all lots brought in to storage. If the customer cannot pay the first month's charges, including cartage, handling and storage, the goods are not accepted, according to Benjamin S. Hurwitz, president.

For Sale— for \$10,000

A WAREHOUSE and transfer business in a growing western town of 20,000 population.

Ill health is the reason for selling.

Address Box J-263, care of *Distribution and Warehousing*, 249 West 39th Street, New York City.

Honolulu Firm to Build

The Honolulu Construction & Draying Co., Ltd., Honolulu, is planning to build a \$200,000 reinforced concrete warehouse.

Johnston First President of Virginia Truck Owners

Clem D. Johnston, president and owner of the Roanoke Public Warehouse and the Roanoke Truck Depot, Roanoke, Va., has been elected president of the Virginia Truck Operators' Association, recently organized.

"Election of Mr. Johnston as president," said the Roanoke *World-News* editorially, means that he will be spokesman for the truck people of Virginia during the important discussions of the coming year. The truck owners' association has made a wise choice."

Crooks Operating Overland

The Overland Terminal Warehouse Co., Los Angeles, identified with the Union Pacific, is now under the operating management of Harry D. Crooks, president of the Crooks Terminal Warehouses, Chicago and Kansas City.

The Overland structure is expected to be completed and opened for business about July 15.

Northwest Railways Fight Motor Freight

A STORE-DOOR delivery service which benefits warehousemen has been inaugurated by the railroads tapping eastern Washington. Rates are quoted from Spokane, as distributing center, to merchants' doors instead of f.o.b. at the railroad stations, and responsible warehouse firms in Colfax, Palouse, Garfield, Oakesdale and Rosalia, Wash., and Moscow and Potlatch, Idaho, was given the hauling jobs at fixed rates.

The movement is intended to combat motor freight line operations in less than carload distribution, and the tariffs quoted are virtually on a par with those of the motor freight interests.

In a somewhat varied form the Spokane, Portland and Seattle the railroads are developing motor freight transportation in western Oregon. In various towns out of Portland connections have been made for store-door delivery of l.c.l. merchandise shipments by warehouse firms. The general operation is handled by a railroad subsidiary.

The movement being entirely intrastate, it is possible to adjust rates to meet truck competition. The rail line shares in the haul and the warehouseman is getting back some of the depot-to-store-door haul he had lost to the motor freight lines.

Boston-Baltimore Overnight Freight

The New York, New Haven & Hartford Railroad has inaugurated an overnight freight service between Boston and Baltimore, turning over a complete train to the Pennsylvania Railroad at New York. This train, known as "The Speed Witch," leaves Boston in the morning in two sections, one going via Shore Line and the other by way of Springfield. The sections are consolidated at Bridgeport.

Freight is picked up at points along both lines, with motor trucks connecting at Hartford and other stations. A subsidiary of the New Haven operates a large number of highway carriers. The train passes to the Pennsylvania in New York and reaches Baltimore early the next morning.

Behre Honored

Charles H. Behre, president of the Pelican Cold Storage & Warehousing Co., Ltd., New Orleans, has been appointed honorary representative, at New Orleans, of the Leipzig Trade Fair, Germany. Mr. Behre is chairman of the manufacturers' bureau of the New Orleans Association of Commerce.

Heick Builds

D. C. Heick, who has been in the storage and transfer business in Madison, Wis., since 1912, has completed construction of a warehouse containing 38,000 square feet of floor space.

The NEW 1½-ton, 4-Speed INTERNATIONAL

comes in Two Lengths

136 and 160-inch wheelbase

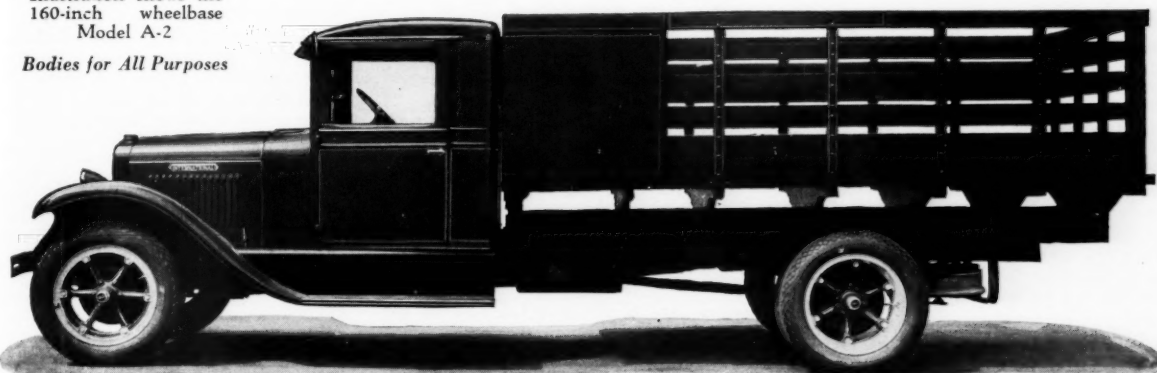
only **\$675**

Long Wheelbase

Illustration shows the
160-inch wheelbase
Model A-2

Bodies for All Purposes

136-in. wheelbase chassis, standard equipment, f.o.b. factory



THIS handsome International Model A-2 which has just been put into quantity production fits practically every type of load. The 136-in. wheelbase fills the needs of the majority of users but if a longer chassis is required the 160-in. size, illustrated here, will enable you to mount a long roomy body and handle your hauling with all-around economy.

International has built a great reputation for lasting quality in trucks. Now we can offer you the same quality at a remarkably low price. The Model A-2 has a powerful L-head engine, cam-and-lever steering gear, vibration dampened

clutch, and is equipped with 22 ball and roller bearings. It is sturdy throughout, easy riding and handling, up-to-the-minute in looks, and perfected in every detail. Count on this 4-speed International to give you great mileage with real fuel economy and very low expense for upkeep year after year.

See the new 1½-ton Model A-2 at the nearby Company-owned sales and service branch or at the International Truck dealer's establishment. Ask for a demonstration and drive the A-2 yourself. Other International models range from ¾-ton to 5-ton.

INTERNATIONAL HARVESTER COMPANY

606 So. Michigan Ave.

OF AMERICA
(Incorporated)

Chicago, Illinois

INTERNATIONAL TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Charge for Marking and Billing Urged in AWA "Bulletin"

(Concluded from page 30)

head involved in the handling procedure as above outlined.

"Preparing an order for shipment is a special service, not being required for all deliveries. Over and above the regular handling routine, it consists of furnishing tags or stencils and stencil supplies; addressing the tags or cutting the stencils; marking the packages, often involving a re-handling; furnishing the bill of lading form; making out the bill of lading; getting it signed by the carrier and sending it to the customer.

"In some localities, this preparation for shipment has always been known as the "re-shipping service" and a specific and separate charge has been made for it. It has been consistently recognized by warehouse-users as an extra service because the warehousemen in those localities have made it an integral part of their rate-quotations. Furthermore, there has been no difficulty in collecting it. This shipping charge varies in different cities and in the same city, but a very common rate has been three cents per hundred pounds on high density commodities, with a minimum of 25 cents per shipment. It may be said, however, that this situation has been limited largely to warehousemen who have been able to deliver the shipments to the carriers on the premises of the warehouse through trap-cars or some other rail-traffic convenience or facility. When, however, a shipment goes via boat line or electric line, and cartage is necessary, the reshipping service charge is still made in addition to the usual drayage charge.

"In localities where it has been necessary for the warehouseman to dray the shipments to the freight stations of the carriers, the shipping service as above described may not have been charged for separately. In some cases, the drayage to the freight stations has been included as part of the shipping service, and the charge made for the entire shipping and delivery service has often been determined largely by the drayage factor alone. In other instances, there has been no attempt to charge for preparing an order for shipment or it has been included as a very minor factor in the charge that has been made for drayage.

Customer Reluctance

"In those places where the carriers (let us include motor trucking lines, however owned, also) are picking up shipments at the premises of the warehouseman, we have, then, the identical situation that has always existed in some localities or some warehouse plants where it has been possible to turn shipments over to the carriers without any cartage service having to be performed, and where a 're-shipping service' charge has always been made, recognized, and collected for the marking and billing pro-

cedure. In these localities now having carrier pick-up service, warehousemen are likely to lose much of their cartage-to-freight-station business but they are still called upon to mark the packages and to furnish and make out bills of lading. However, from complaints coming to headquarters, we understand that the customers of these warehousemen are in some cases reluctant about paying for this marking and billing service, which is natural enough, since it has never been repeatedly called to their attention that the service was being performed. All that these customers knew was the cart-

Wanted

BY a New York warehouse — a man to solicit new accounts for warehousing and trucking.

State, in first letter, the details regarding experience, present connections, compensation expected, availability, etc. All replies confidential.

Address Box K-364, care of *Distribution and Warehousing*, 249 West 39th St., New York City.

age charge, in which the warehousemen included, often gratuitously, the marking and billing service; and now that the carriers are performing the pick-up service and eliminating the warehouseman's cartage, why should not the warehouseman's complete cartage charge be eliminated also, the customers ask.

"Some of our members tell us that their customers say that they are not paying any marking and billing charge elsewhere, so why should they pay it to them? For the benefit of these members, we can say that any manufacturer, making any attempt at all to distribute his goods nationally, is familiar with this reshipping service charge as applied for years by warehousemen in many localities throughout the country. Furthermore, the marking and billing procedure, and the furnishing of supplies and forms required in connection therewith, has presumably not been contemplated in the basic handling and storage rates quoted the customer, so that there should be no difficulty in demonstrating that it is an extra service requirement. Unless the cost of performing this service is a factor that has been taken into consideration in the computation of the handling rate quoted, we can think of no justification for a warehouseman not insisting upon making a charge for this service and collecting it. To fail to do so inflicts a wrong not only upon the warehouseman himself but definitely injures all other warehousemen by breaking down the fundamentals of approved rate-making procedure.

"As has been said, a common charge, in existence for years, for this marking and billing service, is three cents per hundred pounds on high density com-

A Truck-Terminal Opens in Memphis

THE United Terminals and Forwarding Company of Memphis, Inc., has been incorporated with a capital of 75 shares of stock of \$100 par value each and has opened an \$85,000 modern freight terminal at West McLemore and Kansas Streets, where freight and express shipments are received for distribution, with store-door pick-up and delivery service, in Arkansas, Illinois, Mississippi, Missouri and Tennessee. A St. Louis terminal has been established at 819 South Third Street and a Little Rock terminal at 215 Rector Street. Warehousing and forwarding by rail are features, as well as distribution by truck.

Identified with the United are the Advance Transportation Co., Bowers Truck Line, Coleman & Andrews, Easterwood Transfer, Haskett's Truck Line, L. & L. Transportation Co., Lewy Transfer & Storage Co., Rowland Truck Line, Spencer's Truck and Odom Brothers.

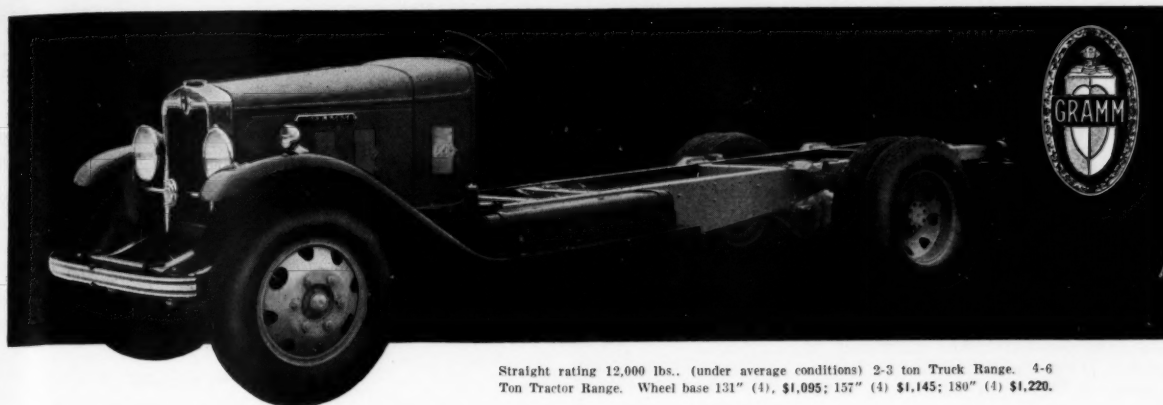
A tariff has been issued covering 334 cities and towns in the five States. Every truck load and all the drivers are bonded and a plan of cargo insurance has been developed.

modities, with a minimum of 25 cents per shipment,—a charge that certainly cannot reasonably be attacked as excessive. During the past few months, many warehousemen have instituted this charge in connection with preparing shipments called for at their plants by motor trucking lines and presumably they are applying it to shipments that are called for by the rail carriers if the pick-up service is being performed in their localities. More recently, some warehousemen have named a charge of one half of the handling rate, minimum 25 cents per shipment, when shipments are picked up by the carriers at the delivery door of the warehouse.

"Our members who have this problem to face should not let themselves be imposed on. The marking and billing, or reshipping, service is a recognized extra service, not required by all accounts, and certainly it is not a part of the regular handling service performed for all customers alike. To avoid discrimination against customers not requiring this reshipping service, it is necessary that a charge be made for it against those that do require it. With the information above given it is hoped and expected that AWAmembers will have little difficulty in meeting the issue squarely and will insist that this is one special service, at least, that they cannot afford to perform gratuitously."

Montgomery Joins Franklin

W. J. Montgomery has resigned as manager of the Hempstead Storage Corp., Hempstead, Long Island, N. Y., and has joined the Franklin Fireproof Warehouses, Inc., Brooklyn. He is with the commercial department of the Franklin firm.



Straight rating 12,000 lbs., (under average conditions) 2-3 ton Truck Range. 4-6 Ton Tractor Range. Wheel base 131" (4), \$1,095; 157" (4) \$1,145; 180" (4) \$1,220.

THE NEW GRAMM TWO TON—A HISTORY MAKER FOR 1931

Standard features include either four or six cylinder Continental engines—fish plated ten-inch depth frame—large size gasoline tank—Mather chrome vanadium springs with rear helpers—full floating Timken rear axle—Gramm system of front spring shackling which eliminates "wheel shimmy."

The unusually low price of the *History Maker Grammm CX* makes it possible for truck users who are inadequately solving their hauling problems with lighter units, to enjoy fully the advantages of greater loads and lower upkeep costs through this more generously proportioned chassis.

Radiator, head lamps, fender lamps, spring bumper, Motox horn all full chromium plated—Hood and cowl ventilator doors cadmium plated—Lockheed hydraulic brakes with separate Tru-Stop ventilated disc emergency brake—oil filter and air-cleaner—Houdaille shock absorbers — and — GRAMM design.

GRAMM MOTORS, Inc., Delphos, Ohio

EXPORT

Willys Overland Corporation,
Toledo, Ohio
Willys Overland Crossley, Ltd.
Stockport, Eng.

GRAMM

Builders of fine Motor
Trucks, Vans, Buses, and
Specialized Chassis for
Fire Apparatus.

FOR WAREHOUSES

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ARCHITECTS & ENGINEERS
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KINGSLEY SERVICE INC. WAREHOUSE ARCHITECTS

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INCORPORATED

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110 E. 42nd ST., NEW YORK, N. Y.



ENGINEERS • ARCHITECTS

New Incorporations as Announced Within the Storage Industry

California

GLENDAL—Western Truck Lines, Ltd. Capital, 15,000 shares of no par value stock. Incorporators, Robert V. Hardie, Norman M. Jack and Owen C. Emery.

Los Angeles—Acme Transfer & Storage Co., 815 West Sixth Street. Storage warehouse and transfer. C. R. Hunt, 1553 West Fifty-second Street, heads the firm.

Los Angeles—Alvarado Transfer & Express, 717½ South Alvarado Street. Benjamin R. Martinez heads the interests.

Los Angeles—Silver Lake Transfer & Storage Co., 2508 Sunset Boulevard. Storage warehouse and trucking service. Harry A. Bennett, 909 Parkman Avenue, heads the firm.

Florida

Jacksonville—Bonded Merchandise Warehouse, Inc. Capital, 50 shares of no par value stock. Directors, T. F. King, J. G. Boyd, Jr., and Roswell King.

Jacksonville—Jacksonville Refrigeration, Inc. Cold storage warehouse and refrigerating plant. Capital not stated. Principal incorporator, J. Hartman, Bisee Building.

Miami Beach—New Ice Corporation of America. Cold storage warehouse and ice plant. Capital not stated. R. B. Ingman, 1462 Southwest Sixteenth Street, heads the interests.

Illinois

Brimfield—Central Transfer Co. Capital, \$20,000. Incorporators, Roy W. Cecil and William H. Cecil.

Chicago—North Shore Forwarding Co., 1131 Polk Street. Capital, \$10,000. Incorporators, H. Marsh, A. Marsh, J. H. Martell and C. F. Martell.

Kewanee—Carter Transfer Co., 1310 West Prospect Street. Nominal capital, \$3,000. Incorporators, Leslie V. Carter and C. W. Carter.

Lake Forest—Lake Forest & North Shore Motor Express, Inc., 824 Western Avenue. Capital, \$15,000. Incorporators, Robert I. Schotanus, Ida Schotanus and Joseph Ritzenthaler.

Peoria—Peoria Motor Freight Co., Jefferson Building. Capital, \$100,000. Incorporators, C. W. Verkler, Louis Merk and E. Garrison.

Indiana

Evansville—Pasco Truck Terminal, Inc. Incorporators, Roy Leich, A. W. Sevringhaus and B. F. Persons.

Indianapolis—Underwood Transfer Co. Capital, 100 shares of no par value stock. Incorporators, Elizabeth A. Underwood, Edward J. Underwood and Donald Underwood, 1633 Wade Street.

La Porte—Pioneer Motor Freight Corporation. Capital, 1000 shares of no par value stock. Incorporators, Volney Lay, Anthony W. Kain, Joseph E. Thied and Peter J. Kraus.

Michigan City—Redding & Boss, Inc.

Storage warehouse and van service. Capital, 1000 shares of no par value stock. Incorporators, F. R. Redding, E. R. Boss and John H. Boss.

Kentucky

Bowling Green—M. & C. Freight Lines. Capitalization, \$5,000. Incorporators, A. M. Chelf, C. B. Wade and J. U. Wade.

Massachusetts

Boston—Beacon Furniture & Piano Moving Co., 824 Huntington Avenue. Evelyn C. Williamson is representative.

Boston—Driscoll Motor Freight Service, 3 Temple Street. Sherman C. Griffiths heads the interests.

Boston—Railroad Furniture Storage & Warehouse Co., 792-800 Washington Street. Storage warehouse and van service. Harry Rosin heads the interests.

Boston—Winward Car Loading Co. Carloading and freight service. Identified with J. B. Winward & Son, Inc., Boston & Albany Railway Terminal, Boston.

New York

Brooklyn—Shore Road Storage Co. Storage warehouse and trucking service. Capital, \$10,000. Principal incorporator, E. F. Mulholland, 1 Court Street.

New York City—Century Storage Co. Warehouse and moving service. Capital, \$10,000. Principal incorporator, S. B. Lillenstern, 1501 Broadway.

New York City—King's Auto Vans & Warehouse Co. Warehouse and moving service. Capital, \$10,000. Representatives, Steinberg & Ehrlich, 545 Fifth Avenue.

New York City—Municipal Warehouse Co. Warehouse and moving service. Capital, 100 shares of no par value stock. Representative, Alexander Bernardik, 305 Broadway.

North Carolina

Burlington—Fidelity Motor Lines, Inc. Capital not stated. Incorporators, H. L. Arnold and W. Erdman Love.

Ohio

Akron—Cargo Forwarding Co., 31 North Arlington Street. Capital, 250 shares of no par value stock. Incorporators, Frank P. Pierce, C. P. Gerth and E. Williams.

Akron—Portage Freight Lines, Inc. Capital, 250 shares of no par value stock. Incorporators, G. L. Patterson and Stanley Denlinger.

Cincinnati—Cincinnati Auto Convoy & Forwarding Corp. Capital, \$10,000. Incorporators, M. T. Babione and Albert D. Cash.

Cleveland—Gregg Fast Freight Service, Inc. Capital, \$10,000. Incorporators, Mary E. Ralls, May Smith and J. S. Gilbert.

Cleveland—Ohio Express Forwards, Inc. Capital, 250 shares of no par value stock. Incorporators, Alan H. Reid, M. M. Lugach and J. A. Fetterman.

Cuyahoga Falls—Marria Transfer Co. Capital, 250 shares of no par value stock.

(Concluded on next page)

Construction, Developments, Purchases, Etc.

California

OAKLAND—Howard Terminal Corporation is planning a \$50,000 1-story warehouse, 40 by 150 feet.

Watsonville—Fruit Growers' Cold Storage Co. has plans for a \$150,000 cold storage warehouse on Salinas Road.

Canada

Clarksburg, Ont.—Georgian Bay Fruit Growers Association has plans for a \$40,000 cold storage warehouse, 70 by 75 feet.

Florida

Pensacola—Louisville & Nashville Railroad Co. has plans for spending \$150,000 improving and extending its storage warehouse and wharf units.

Georgia

Atlanta—Atlanta Service Warehouse Co. has been elected to membership in the Southern Warehousemen's Association.

Illinois

East St. Louis—Illinois Central Railroad Co. has awarded a contract for a 1-story and 2-story warehouse and freight station, 50 x 1044 feet, on Front Street.

Massachusetts

Greenfield—Greenfield Ice & Trucking Co. is planning a \$60,000 cold storage warehouse and ice plant on Barnardston Road.

Lowell—Arthur D. Raymond, formerly president of the Consolidated Storage Warehouse, has concluded arrangements for the purchase of a 11-story and basement warehouse, containing about 300,000 square feet of floor space, from the Pepperill Manufacturing Co., a textile organization. The location is on Bridge Street.

Worcester—Northeastern Storage & Distributing Co. has revised plans for a \$750,000 6-story warehouse, 180 by 640 feet, at Grafton Street and Keefe Place.

Michigan

Muskegon—Pere Marquette Railroad Co. has awarded a contract for a \$30,000 1-story warehouse and express building.

Niles—Terminal Service Co., of Niles, Mich., and Cincinnati, Ohio, has arranged for an increase in capital to \$100,000 from \$25,000.

Minnesota

Minneapolis—Park Transfer Co. has removed its headquarters and operating division to a new building at 1405-1411 Eleventh Avenue South.

Nebraska

Lincoln—Sullivan Transfer & Storage Co. has joined the merchandise division of the American Warehousemen's Association.

New Jersey

Camden—National Docks & Terminal Co. has awarded a contract for a \$500,000 warehouse, pier and dock at the foot of Kaighn Avenue.

(Concluded on next page)

**Construction,
Developments
Purchases, Etc.**

(Concluded from page 64)

Clifton—Erie Railroad Co. is revising plans for a \$100,000 2-story and basement warehouse and freight station.

Jersey City—New York Central Railroad Co. has completed plans for a \$140,000 2-story warehouse and freight terminal.

New York

Buffalo—Nickel Plate Development Co., identified with the Nickel Plate Railroad, has awarded a contract for a \$250,000 2-story terminal warehouse.

North Carolina

Goldsboro—Goldsboro Warehouse Co. has approved plans for a \$45,000 1-story warehouse to contain about 50,000 square feet of floor space.

Ohio

Cincinnati—Cincinnati Union Terminal Co. has asked bids on a contract for a \$600,000 2-story warehouse and express terminal, 70 by 740 feet.

Cleveland—Baltimore & Ohio Railroad Co. has awarded a contract for a \$140,000 1-story and 2-story warehouse and freight building, 75 by 360 ft., at Main and River Streets.

Cleveland—Nickel Plate Development Co., identified with the Nickel Plate Railroad, has awarded a contract for a \$90,000 1-story and 2-story warehouse, 50 by 180 feet, at Commercial and Central Streets. It will be Warehouse No. 3 of the company's terminal group.

Columbus—Columbus Independent Ice Co. has filed plans for a \$45,000 1-story cold storage warehouse and ice plant on West Fifth Street.

Pennsylvania

Norristown—Reading Co. has asked bids for construction of a \$60,000 1-story warehouse and freight building.

Philadelphia—Baltimore & Ohio Railroad has awarded a contract for a \$25,000 addition to its warehouse and freight terminal at Delaware and Snyder Avenues.

Texas

Austin—Scobey Fireproof Storage Co., San Antonio, will take over under lease a \$50,000 2-story warehouse, 128 x 140 ft., to be erected at Third and Trinity Streets, Austin, and will operate it as a branch.

Crystal City—Shippers Cooperative Ice Co., recently organized, is planning erection of a \$150,000 cold storage warehouse and ice plant. The building will have a storage capacity of 5000 tons of merchandise.

Dallas—W. H. Fry Co. has resigned from the Texas-Southwest Warehouse & Transfermen's Association.

Hillsboro—W. S. Grimes heads interests which plan to organize a company to build and operate a \$60,000 cold storage warehouse and ice plant on Elm Street.

Yorktown—Central Power & Light Co., San Antonio, has approved plans for a \$25,000 cold storage warehouse in Yorktown.

New Louisiana Firm

The New Orleans Fixture & Warehouse Co. has been organized with Mack Felder as president, Jenny Hock Fleder as vice-president and Arthur A. Steiner as secretary. Capitalization is \$5,000, the stock being divided into fifty shares of \$100 each. The address is 526 Common Street.

**New Incorporations
as Announced Within
the Storage Industry**

(Concluded from page 64)

Pennsylvania

Reading—Kissinger Van & Storage Co. General storage and warehouse business. Incorporators, Warren N. Kissinger, Elsie Gross and Harry W. Arnold.

Tennessee

Cookeville—Cumberland Freight Lines, Inc. Capitalization, \$6,000. Incorporators, C. D. Carley, Draper Jenkins and E. B. Draper.

Texas

Dallas—Intercity Forwarding Co., Inc. Nominal capital, \$1,000. Incorporators, J. J. Wessels and T. H. Boyd.

Wallace—Wallace Ice Co. Cold storage warehouse and ice plant. Capital not stated. J. D. Williams and A. E. Turner head the interests.

Virginia

Richmond—Hawkins Motor Express, Inc. Maximum capital, \$25,000. C. F. Lineberry, Elkin, N. C., is president.

Wisconsin

Madison—Madison-Chicago Motor Express, Inc. Capitalization, \$12,500. Incorporators, William P. McCubbin, G. H. Herling and Ernest H. Pett, all of Madison.

Wyoming

Laramie—Harnden Transfer & Storage Co., 206 South Third Street. Authorized capital, \$15,000. Directors, B. C. Harnden, Chester A. Harnden and Mrs. Louise K. Harnden.

Automatic Truck-Body Handler Introduced



A RECENT development in the automotive field is an automatic body-handling device, illustrated herewith, invented by Austin Denehie, general manager of the Los Angeles Truck Exchange. It is designed to enable empty truck bodies to be demounted and loaded ones picked up, or visa versa, from a loading platform. Bodies may be handled off and on trailer chassis as well.

Coupling, stopping and locking operations are automatic. One main lever controls the mechanism. The inventor calls his device, patented, the "Denehie

Automatic Truck-body Handler." It consists of a frame which is bolted to the chassis, the frame acting as a medium between the body and the chassis, automatically locking the body to the truck's side members. In the center of the unit, and carried on self-aligning ball bearings, is a longitudinal drive-shaft equipped with a compound right and left hand thread, its full length. This shaft, when put in motion, revolves in one direction only, driving the body on or off the chassis as desired. Power is supplied by the chassis motor through

the standard power-take-off drive attached to the chassis transmission and controlled by lever inside the cab.

Standard sized multiple bodies or containers are used which can be handled and attached to any truck chassis or trailer chassis within the fleet. In some instances the bodies may be pushed off to remain stationary where spotted but in the usual case each body is provided with its own casters to facilitate movement to different parts of the platform or for handling to various floors by elevator within the warehouse.

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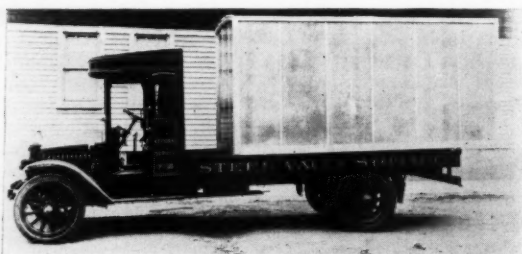
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